

<i>SERFF Tracking Number:</i>	<i>UNFG-125950295</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>United Fire & Casualty Company, ...</i>	<i>State Tracking Number:</i>	<i>EFT \$50</i>
<i>Company Tracking Number:</i>	<i>CP-AR-UFC-LAF-04012009-XX-XX-F</i>		
<i>TOI:</i>	<i>01.0 Property</i>	<i>Sub-TOI:</i>	<i>01.0001 Commercial Property (Fire and Allied Lines)</i>
<i>Product Name:</i>	<i>Commercial Property</i>		
<i>Project Name/Number:</i>	<i>Form/CP-AR-UFC-LAF-04012009-XX-XX-F</i>		

Filing at a Glance

Companies: United Fire & Casualty Company, Lafayette Insurance Company

Product Name: Commercial Property	SERFF Tr Num: UNFG-125950295	State: Arkansas
TOI: 01.0 Property	SERFF Status: Closed	State Tr Num: EFT \$50
Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)	Co Tr Num: CP-AR-UFC-LAF-04012009-XX-XX-F	State Status: Fees verified and received
Filing Type: Form	Co Status:	Reviewer(s): Betty Montesi, Llyweyia Rawlins
	Author: Stella Bradke	Disposition Date: 01/14/2009
	Date Submitted: 12/19/2008	Disposition Status: Approved
Effective Date Requested (New): 04/01/2009		Effective Date (New): 04/01/2009
Effective Date Requested (Renewal): 04/01/2009		Effective Date (Renewal): 04/01/2009

State Filing Description:

General Information

Project Name: Form	Status of Filing in Domicile: Not Filed
Project Number: CP-AR-UFC-LAF-04012009-XX-XX-F	Domicile Status Comments: Filing simultaneously.
Reference Organization: ISO	Reference Number: CP-2007-OFR07(Forms)
Reference Title: Commercial Property	Advisory Org. Circular: LI-CF-2008-059
Filing Status Changed: 01/14/2009	
State Status Changed: 12/22/2008	Deemer Date:
Corresponding Filing Tracking Number:	
Filing Description:	
Effective April 1, 2009, we will be adopting ISO Filing Designation Number CF-2007-OFR07 (Forms).	

In conjunction with the adoption of the ISO forms change CF-2007-OFR07, we are revising some of our independent company forms. Changes are listed below and also carry an effective date of April 1, 2009.

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<i>Company Tracking Number:</i>	<i>CP-AR-UFC-LAF-04012009-XX-XX-F</i>		
<i>TOI:</i>	<i>01.0 Property</i>	<i>Sub-TOI:</i>	<i>01.0001 Commercial Property (Fire and Allied Lines)</i>
<i>Product Name:</i>	<i>Commercial Property</i>		
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1. CP 70 07 03 09 - Outdoor Signs, is replacing CP 70 07 12 01. Much of the language in this endorsement has been revised because several aspects of the coverage previously available under this optional endorsement have been incorporated into the basic coverage provided in the underlying coverage form.

2. CP 70 22 03 09 - Sprinkler Leakage Exclusion, is replacing CP 70 22 01 03. New language is being added so that the language in this form now matches the language found in the current editions of the ISO Causes of Loss Forms. There is no change in coverage.

3. CP 70 25 03 09 - Loss Payable Provisions, is replacing CP 70 25 12 01. We are adding an option, Building Owner Loss Payable, to identify the building owner and recognize that entity as a loss payee.

4. CP 70 31 03 09 - Antique Dealers Inventory Cost Valuation, is replacing CP 70 31 12 01. We are simply changing the reference numbers to match those in new ISO Form CP 00 10. There is no change in coverage.

5. CP 70 33 03 09 - Property Plus Endorsement, is replacing CP 70 33 11 06.

CP 70 36 03 09 - Contractors Property Plus Endorsement, is replacing CP 70 36 11 06.

CP 70 62 03 09 - Restaurant Property Plus Endorsement, is replacing CP 70 62 11 06.

IL 70 24 03 09 - Package Plus Endorsement, is replacing IL 70 24 11 06.

The following changes are being made:

* We are adding an additional coverage for Security Breach and Identity Services.

* Under the Civil Authority additional coverage, we have added a stipulation that this coverage no longer applies if the insured premises is more than one mile from the damaged property which caused the action of civil authority.

* Under the Civil Authority additional coverage, we are expanding the coverage period from three to four weeks.

<i>SERFF Tracking Number:</i>	<i>UNFG-125950295</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>United Fire & Casualty Company, ...</i>	<i>State Tracking Number:</i>	<i>EFT \$50</i>
<i>Company Tracking Number:</i>	<i>CP-AR-UFC-LAF-04012009-XX-XX-F</i>		
<i>TOI:</i>	<i>01.0 Property</i>	<i>Sub-TOI:</i>	<i>01.0001 Commercial Property (Fire and Allied Lines)</i>
<i>Product Name:</i>	<i>Commercial Property</i>		
<i>Project Name/Number:</i>	<i>Form/CP-AR-UFC-LAF-04012009-XX-XX-F</i>		

* We are broadening coverage for detached outdoor signs to include all causes of loss otherwise covered under the applicable ISO Causes of Loss form.

The Civil Authority changes described above were implemented in response to the same changes being made by ISO in their Time Element Coverage Forms (CP 00 30 & CP 0032).

- 7. CP 70 35 03 09 - Business Income (And Extra Expense) Coverage Form, replaces CP 70 35 12 01.
- CP 70 37 03 09 - Business Income (And Extra Expense) Coverage Form, replaces CP 70 37 12 01.

The following changes are being made:

* Under the Civil Authority additional coverage, we have added a stipulation that this coverage no longer applies if the insured premises is more than one mile from the damaged property which caused the action of civil authority.

* Under the Civil Authority additional coverage, we are expanding the coverage period from three to four weeks.

The Civil Authority changes described above were implemented in response to the same changes being made by ISO in their Time Element Coverage Forms (CP 00 30 & CP 0032).

- 8. CP 70 57 03 09 - Homeowners Extension Property Endorsement, is replacing CP 70 57 05 02. We are simply changing the reference numbers to match those in new ISO Form CP 00 10. There is no change in coverage.

- 9. IL 70 58 03 04 - ACV Loss Settlement Windstorm or Hail Losses to Roof Surfacing, is replacing IL 70 58 04 03. We are simply changing the reference numbers to match those in new ISO Form CP 00 10. There is no change in coverage.

As usual, we would like to stipulate that any forms filed on our behalf by an Advisory Organization or that we file independently for Commercial Property, may also apply to our Premises Commercial Uni-Saver Program (our

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<i>Company Tracking Number:</i>	<i>CP-AR-UFC-LAF-04012009-XX-XX-F</i>		
<i>TOI:</i>	<i>01.0 Property</i>	<i>Sub-TOI:</i>	<i>01.0001 Commercial Property (Fire and Allied Lines)</i>
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independent BOP) or Trade Pro Program (our independent Contractors).

Company and Contact

Filing Contact Information

Chris Manders, Analyst	cmanders@unitedfiregroup.com
118 2nd Ave SE	(319) 399-5470 [Phone]
Cedar Rapids, IA 52407-3909	(319) 286-2570[FAX]

Filing Company Information

United Fire & Casualty Company	CoCode: 13021	State of Domicile: Iowa
118 2nd Ave SE	Group Code: 248	Company Type: Property Casualty
PO Box 73909		
Cedar Rapids, IA 52407-3909	Group Name: United Fire Group	State ID Number:
(319) 399-5700 ext. [Phone]	FEIN Number: 42-0644327	

Lafayette Insurance Company	CoCode: 18295	State of Domicile: Louisiana
118 2nd Ave SE	Group Code: 248	Company Type: Property Casualty
PO Box 73909		
Cedar Rapids, IA 52407-3909	Group Name: United Fire Group	State ID Number:
(319) 399-5700 ext. [Phone]	FEIN Number: 72-0232830	

Filing Fees

Fee Required?	Yes
Fee Amount:	\$50.00
Retaliatory?	No
Fee Explanation:	\$25 per Company
Per Company:	No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
United Fire & Casualty Company	\$50.00	12/19/2008	24638929
Lafayette Insurance Company	\$0.00	12/19/2008	

SERFF Tracking Number:	UNFG-125950295	State:	Arkansas
First Filing Company:	United Fire & Casualty Company, ...	State Tracking Number:	EFT \$50
Company Tracking Number:	CP-AR-UFC-LAF-04012009-XX-XX-F		
TOI:	01.0 Property	Sub-TOI:	01.0001 Commercial Property (Fire and Allied Lines)
Product Name:	Commercial Property		
Project Name/Number:	Form/CP-AR-UFC-LAF-04012009-XX-XX-F		

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Llyweyia Rawlins	01/14/2009	01/14/2009

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Llyweyia Rawlins	01/07/2009	01/07/2009	Stella Bradke	01/14/2009	01/14/2009

<i>SERFF Tracking Number:</i>	<i>UNFG-125950295</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>United Fire & Casualty Company, ...</i>	<i>State Tracking Number:</i>	<i>EFT \$50</i>
<i>Company Tracking Number:</i>	<i>CP-AR-UFC-LAF-04012009-XX-XX-F</i>		
<i>TOI:</i>	<i>01.0 Property</i>	<i>Sub-TOI:</i>	<i>01.0001 Commercial Property (Fire and Allied Lines)</i>
<i>Product Name:</i>	<i>Commercial Property</i>		
<i>Project Name/Number:</i>	<i>Form/CP-AR-UFC-LAF-04012009-XX-XX-F</i>		

Disposition

Disposition Date: 01/14/2009
Effective Date (New): 04/01/2009
Effective Date (Renewal): 04/01/2009
Status: Approved
Comment:

Rate data does NOT apply to filing.

Overall Rate Information for Multiple Company Filings

Overall Percentage Rate Indicated For This Filing	0.000%
Overall Percentage Rate Impact For This Filing	0.000%
Effect of Rate Filing-Written Premium Change For This Program	\$0
Effect of Rate Filing - Number of Policyholders Affected	0

SERFF Tracking Number: UNFG-125950295 State: Arkansas

First Filing Company: United Fire & Casualty Company, ... State Tracking Number: EFT \$50

Company Tracking Number: CP-AR-UFC-LAF-04012009-XX-XX-F

TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)

Product Name: Commercial Property

Project Name/Number: Form/CP-AR-UFC-LAF-04012009-XX-XX-F

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	IL0163 0907	Approved	Yes
Form	Outdoor Signs	Approved	Yes
Form	Sprinkler Leakage Exclusion	Approved	Yes
Form	Loss Payable Provisions	Approved	Yes
Form	Antique Dealers Inventory Cost Valuation	Approved	Yes
Form	Property Plus Endorsement	Approved	Yes
Form	Business Income (And Extra Expense) Cov Form	Approved	Yes
Form	Contractors Property Plus End	Approved	Yes
Form	Business Income (And Extra Expense) Cov Form	Approved	Yes
Form	Homeowners Extension Property End	Approved	Yes
Form	Restaurant Property Plus End	Approved	Yes
Form	Package Plus Endorsement	Approved	Yes
Form	ACV Loss Settlement Windstorm or Hail Losses to Roof Surfacing	Approved	Yes

SERFF Tracking Number: UNFG-125950295 State: Arkansas
First Filing Company: United Fire & Casualty Company, ... State Tracking Number: EFT \$50
Company Tracking Number: CP-AR-UFC-LAF-04012009-XX-XX-F
TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)
Product Name: Commercial Property
Project Name/Number: Form/CP-AR-UFC-LAF-04012009-XX-XX-F

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 01/07/2009
Submitted Date 01/07/2009
Respond By Date 01/21/2009
Dear Chris Manders,

The appraisal clause(s) found in this filing should be amended to comply with Ark. Code Ann. §23- 79-203 and Arkansas Bulletin No. 19-89. The clause(s) must specifically state it is non-binding and voluntary.

Sincerely,
Llyweyia Rawlins

Please feel free to contact me if you have questions.
Sincerely,
Llyweyia Rawlins

Response Letter

Response Letter Status Submitted to State
Response Letter Date 01/14/2009
Submitted Date 01/14/2009

Dear Llyweyia Rawlins,

Comments:

Response 1

Comments: We attach IL 01 63 09 07 - Arkansas Changes to all of our Commercial Property policies. This ISO amendatory modifies our coverage forms so that they comply with Arkansas Law. The Appraisal Clause you mention in our objection can be found in the IL 01 63. As a result, I don't believe it will be necessary to revise our forms at this time. A copy of the IL 01 63 has been attached for your convenience.

If you have any further questions or concerns, please let me know.

SERFF Tracking Number: UNFG-125950295 *State:* Arkansas
First Filing Company: United Fire & Casualty Company, ... *State Tracking Number:* EFT \$50
Company Tracking Number: CP-AR-UFC-LAF-04012009-XX-XX-F
TOI: 01.0 Property *Sub-TOI:* 01.0001 Commercial Property (Fire and Allied Lines)
Product Name: Commercial Property
Project Name/Number: Form/CP-AR-UFC-LAF-04012009-XX-XX-F

Thanks!

Chris Manders

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: IL0163 0907

Comment: See attachment per our preceding comments .

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,
Stella Bradke

SERFF Tracking Number: UNFG-125950295 State: Arkansas

First Filing Company: United Fire & Casualty Company, ... State Tracking Number: EFT \$50

Company Tracking Number: CP-AR-UFC-LAF-04012009-XX-XX-F

TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)

Product Name: Commercial Property

Project Name/Number: Form/CP-AR-UFC-LAF-04012009-XX-XX-F

Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Outdoor Signs	CP 70 07	03 09	Endorsement/Amendment/Conditions	Replaced Form #: CP 70 07 12 01 Previous Filing #:		CP7007 0309.pdf CP7007 1201.pdf
Approved	Sprinkler Leakage Exclusion	CP 70 22	03 09	Endorsement/Amendment/Conditions	Replaced Form #: CP 70 22 01 03 Previous Filing #:		CP7022 0309.pdf CP7022 0103.pdf
Approved	Loss Payable Provisions	CP 70 25	03 09	Endorsement/Amendment/Conditions	Replaced Form #: CP 70 25 12 01 Previous Filing #:		CP7025 0309.pdf CP7025 1201.pdf
Approved	Antique Dealers Inventory Cost Valuation	CP 70 31	03 09	Endorsement/Amendment/Conditions	Replaced Form #: CP 70 31 12 01 Previous Filing #:		CP7031 0309.pdf CP7031 1201.pdf
Approved	Property Plus Endorsement	CP 70 33	03 09	Endorsement/Amendment/Conditions	Replaced Form #: CP 70 33 11 06 Previous Filing #:		CP7033 0309.pdf CP7033 1106.pdf
Approved	Business Income (And Extra Expense) Coverage Form	CP 70 35	03 09	Policy/Coverage Form	Replaced Form #: CP 70 35 12 01 Previous Filing #:		CP7035 0309.pdf CP7035 1201.pdf
Approved	Contractors Property Plus End	CP 70 36	03 09	Endorsement/Amendment/Conditions	Replaced Form #: CP 70 36 11 06 Previous Filing #:		CP7036 0309.pdf CP7036 1106.pdf
Approved	Business Income (And Extra Expense) Coverage Form	CP 70 37	03 09	Policy/Coverage Form	Replaced Form #: CP 70 37 12 01 Previous Filing #:		CP7037 0309.pdf CP7037 1201.pdf

SERFF Tracking Number: UNFG-125950295 State: Arkansas
First Filing Company: United Fire & Casualty Company, ... State Tracking Number: EFT \$50
Company Tracking Number: CP-AR-UFC-LAF-04012009-XX-XX-F
TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)

Product Name: Commercial Property
Project Name/Number: Form/CP-AR-UFC-LAF-04012009-XX-XX-F

Approved	Homeowners Extension Property End	CP 70 57 03 09	Endorsement/Amendment/Conditions	Replaced Form #: CP 70 57 05 02	CP70570309.pdf
				Previous Filing #:	CP70570502.pdf
Approved	Restaurant Property Plus End	CP 70 62 03 09	Endorsement/Amendment/Conditions	Replaced Form #: CP 70 62 11 06	CP70620309.pdf
				Previous Filing #:	CP70621106.pdf
Approved	Package Plus Endorsement	IL 70 24 03 09	Endorsement/Amendment/Conditions	Replaced Form #: IL 70 24 11 06	IL70240309.pdf
				Previous Filing #:	IL70241106.pdf
Approved	ACV Loss Settlement Windstorm or Hail Losses to Roof Surfacing	IL 70 58 03 04	Endorsement/Amendment/Conditions	Replaced Form #: IL 70 58 04 03	IL70580304.pdf
				Previous Filing #:	IL70580403.pdf

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

OUTDOOR SIGNS

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

CONDOMINIUM ASSOCIATION COVERAGE FORM

CONDOMINIUM COMMERCIAL UNIT - OWNERS COVERAGE FORM

SCHEDULE *

DEDUCTIBLE: \$ _____

PREM. NO.	BLDG. NO.	DESCRIPTION OF SIGN	LIMIT OF INSURANCE	COINSURANCE PERCENTAGE	ADDITIONAL PREMIUM

* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

With respect to the outdoor signs described in this Schedule:

A. In the Limits Of Insurance section, the provision which pertains to signs does not apply. The limit applicable to each sign is shown in the Schedule. The limit applicable to each sign is the most we will pay for loss or damage to the sign in any one occurrence.

B. The deductible amount shown above shall be deducted from the amount of loss to each outdoor sign in any one occurrence. This deductible applies **separately** to each sign. This deductible applies in addition to any other deductible which applies to other covered property under this policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

OUTSIDE SIGNS

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
 CONDOMINIUM ASSOCIATION COVERAGE FORM
 CONDOMINIUM COMMERCIAL UNIT - OWNERS COVERAGE FORM

SCHEDULE *

DEDUCTIBLE: \$ _____

PREM. NO.	BLDG. NO.	DESCRIPTION OF SIGN	LIMIT OF INSURANCE	CAUSES OF LOSS FORM APPLICABLE	COINSURANCE PERCENTAGE	ADDITIONAL PREMIUM

* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

With respect only to outside signs described in this Schedule:

- A.** "Signs (other than signs attached to buildings)" is deleted from **Property Not Covered**.
- B.** "Signs (other than signs attached to buildings)" is deleted from the **Coverage Extensions** pertaining to outdoor property.
- C.** In the Limits Of Insurance section, the provision which pertains to signs attached to buildings does not apply. The limit applicable to each sign is shown in the Schedule.
- D.** Outside signs are subject to all applicable provisions of the Causes Of Loss Form indicated in the Schedule. In addition, we will not pay for loss or damage caused by or resulting from any of the following:

- 1. Dampness or dryness of atmosphere;
- 2. Changes in or extremes of temperature;
- 3. Marring or scratching; or
- 4. Rain, snow, ice or sleet.

However, if the sign is attached to the building and is covered under the Causes Of Loss - Special Form, then Exclusions **D.1.** through **D.4.** do not apply.

- E.** The deductible amount shown above shall be deducted from the amount of loss to each outside sign in any one occurrence. This deductible applies **separately** to each sign. This deductible applies in addition to any other deductible which applies to other covered property under this policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPRINKLER LEAKAGE EXCLUSION

This endorsement modifies insurance provided under the following:

CAUSES OF LOSS - BASIC FORM
CAUSES OF LOSS - BROAD FORM
CAUSES OF LOSS - SPECIAL FORM

SCHEDULE *

Prem. No.	Bldg. No.	Coverage(s)
<hr/>		

* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations. If no entry appears in the Schedule or Declarations, this endorsement applies to all locations and coverages.

- A.** The following is added to the **Exclusions** section and is therefore not a Covered Cause of Loss:

SPRINKLER LEAKAGE

Sprinkler Leakage, meaning leakage or discharge of any substance from an Automatic Sprinkler System, including collapse of a tank that is part of the system.

But if Sprinkler Leakage results in a Covered Cause of Loss, we will pay for the loss or damage caused by that covered Cause of Loss.

- B.** Under **Exclusion 1.g., Water**, the last paragraph is replaced by the following:

But if Water, as described in the paragraphs above, results in fire or explosion, we will pay for that resulting loss or damage caused by that fire or explosion.

- C. Exclusions 2.b. and 2.c.** in the Causes of Loss - Basic Form are replaced by the following:

We will not pay for loss or damage caused by or resulting from:

- b.** Rupture or bursting of water pipes unless caused by a Covered Cause of Loss.

- c.** Leakage or discharge of water or steam resulting from the breaking or cracking of any part of a system or appliance containing water or steam, unless the system or appliance is damaged by a Covered Cause of Loss. But we will not pay for loss or damage caused by or resulting from continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.

- D.** Under **Additional Coverage - Collapse**, in the Causes of Loss - Broad Form, leakage from fire extinguishing equipment is deleted from paragraph **2. a.**

- E. Exclusion 2.g.**, in the Causes of Loss - Special Form, is replaced by the following:

We will not pay for loss or damage caused by or resulting from water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment caused by or resulting from freezing, unless:

- (1)** You do your best to maintain heat in the building or structure; or
- (2)** You drain the equipment and shut off the supply if the heat is not maintained.

F. Under **Limitations** in the Causes of Loss - Special Form, Item 4. is replaced by the following:

4. We will not pay the cost to repair any defect to a system or appliance, from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if:

a. The damage is directly caused by freezing; and

b. You do your best to maintain heat in the building or structure, or you drain the equipment and shut off the supply if the heat is not maintained.

However, this limitation does not apply to Business Income coverage or to Extra Expense coverage.

G. In the Causes of Loss - Special Form, leakage from fire extinguishing equipment is deleted from the "specified causes of loss."

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPRINKLER LEAKAGE EXCLUSION

This endorsement modifies insurance provided under the following:

CAUSES OF LOSS - BASIC FORM
CAUSES OF LOSS - BROAD FORM
CAUSES OF LOSS - SPECIAL FORM

SCHEDULE *

Prem. No.	Bldg. No.	Coverage(s)
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- * Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations. If no entry appears in the Schedule or Declarations, this endorsement applies to all locations and coverages.
- A.** The following is added to the **Exclusions** section and is therefore not a Covered Cause of Loss:
SPRINKLER LEAKAGE
Sprinkler Leakage, meaning leakage or discharge of any substance from an Automatic Sprinkler System, including collapse of a tank that is part of the system.
But if Sprinkler Leakage results in a Covered Cause of Loss, we will pay for the loss or damage caused by that covered Cause of Loss.
- B.** Under **Exclusion 1.g., Water**, the last paragraph is replaced by the following:
But if Water, as described in **g.(1)** through **(4)** results in fire or explosion, we will pay for that resulting loss or damage caused by that fire or explosion.
- C.** **Exclusions 2.b.** and **2.c.** in the Causes of Loss - Basic Form are replaced by the following:
We will not pay for loss or damage caused by or resulting from:
- b.** Rupture or bursting of water pipes unless caused by a Covered Cause of Loss.
 - c.** Leakage or discharge of water or steam resulting from the breaking or cracking of any part of a system or appliance containing water or steam, unless the system or appliance is damaged by a Covered Cause of Loss. But we will not pay for loss or damage caused by or resulting from continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.
- D.** Under **Additional Coverage - Collapse**, in the Causes of Loss - Broad Form, leakage from fire extinguishing equipment is deleted from paragraph **2. a.**
- E.** **Exclusion 2.g.**, in the Causes of Loss - Special Form, is replaced by the following:
We will not pay for loss or damage caused by or resulting from water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment caused by or resulting from freezing, unless:
- (1)** You do your best to maintain heat in the building or structure; or
 - (2)** You drain the equipment and shut off the supply if the heat is not maintained.
- F.** Under **Limitations** in the Causes of Loss - Special Form, item 4. is replaced by the following:
- 4.** We will not pay the cost to repair any defect to a system or appliance, from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if:
 - a.** The damage is directly caused by freezing; and
 - b.** You do your best to maintain heat in the building or structure, or you drain the equipment and shut off the supply if the heat is not maintained.
 However, this limitation does not apply to Business Income coverage or to Extra Expense coverage.
- G.** In the Causes of Loss - Special Form, leakage from fire extinguishing equipment is deleted from the "specified causes of loss."

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS PAYABLE PROVISIONS

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
 BUILDER'S RISK COVERAGE FORM
 CONDOMINIUM ASSOCIATION COVERAGE FORM
 CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
 STANDARD PROPERTY DAMAGE

SCHEDULE*

Prem. No.	Bldg. No.	Description of Property	Loss Payee (Name & Address)	Applicable Clause			
				Loss Payable	Lender's Loss Payable	Contract of Sale	Building Owner Loss Payable

* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

A. When this endorsement is attached to the Standard Property Policy **CP 00 99** the term Coverage Part in this endorsement is replaced by the term Policy.

B. Nothing in this endorsement increases the applicable Limit of Insurance. We will not pay any Loss Payee more than their financial interest in the Covered Property, and we will not pay more than the applicable Limit of Insurance on the Covered Property.

The following is added to the **Loss Payment Loss Condition**, as indicated in the Declarations or by an "X" in the Schedule:

C. Loss Payable Clause

For Covered Property in which both you and a Loss Payee shown in the Schedule or in the Declarations have an insurable interest, we will:

1. Adjust losses with you; and
2. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

D. Lender's Loss Payable Clause

1. The Loss Payee shown in the Schedule or in the Declarations is a creditor, including a mortgageholder or trustee, whose interest in Covered Property is established by such written instruments as:

- a. Warehouse receipts;
- b. A contract for deed;
- c. Bills of lading;
- d. Financing statements; or
- e. Mortgages, deeds of trust, or security agreements.

2. For Covered Property in which both you and a Loss Payee have an insurable interest:

- a. We will pay for covered loss or damage to each Loss Payee in their order of precedence, as interests may appear.

b. The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure or similar action on the Covered Property.

c. If we deny your claim because of your acts or because you have failed to comply with the terms of the Coverage Part, the Loss Payee will still have the right to receive loss payment if the Loss Payee:

(1) Pays any premium due under this Coverage Part at our request if you have failed to do so;

(2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and

(3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the Loss Payee.

All of the terms of this Coverage Part will then apply directly to the Loss Payee.

d. If we pay the Loss Payee for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

(1) The Loss Payee's rights will be transferred to us to the extent of the amount we pay; and

(2) The Loss Payee's right to recover the full amount of the Loss Payee's claim will not be impaired.

At our option, we may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, you will pay your remaining debt to us.

3. If we cancel this policy, we will give written notice to the Loss Payee at least:

a. 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or

b. 30 days before the effective date of cancellation if we cancel for any other reason.

4. If we elect not to renew this policy, we will give written notice to the Loss Payee at least 10 days before the expiration date of this policy.

E. Contract of Sale Clause

1. The Loss Payee shown in the Schedule or in the Declarations is a person or organization you have entered a contract with for the sale of Covered Property.

2. For Covered Property in which both you and the Loss Payee have an insurable interest, we will:

a. Adjust losses with you; and

b. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

3. The following is added to the **Other Insurance Condition**:

For Covered Property that is the subject of a contract of sale, the word "you" includes the Loss Payee.

F. Building Owner Loss Payable Clause

1. The Loss Payee shown in the Schedule or in the Declarations is the owner of the described building, in which you are a tenant.

2. We will adjust losses to the described building with the Loss Payee. Any loss payment made to the Loss Payee will satisfy your claims against us for the owner's property.

3. We will adjust losses to tenant's improvements and betterments with you, unless the lease provides otherwise.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS PAYABLE PROVISIONS

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
 BUILDERS' RISK COVERAGE FORM
 CONDOMINIUM ASSOCIATION COVERAGE FORM
 CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
 STANDARD PROPERTY POLICY

Prem. No.	Bldg. No.	Description of Property	Loss Payee (Name & Address)	SCHEDULE *		
				Provisions Applicable		
				Loss Payable	Lender's Loss Payable	Contract of Sale

* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

A. When this endorsement is attached to the STANDARD PROPERTY POLICY CP 00 99 the term Coverage Part in this endorsement is replaced by the term Policy.

The following is added to the LOSS PAYMENT Loss Condition, as indicated in the Declarations or by an "X" in the Schedule:

B. LOSS PAYABLE

For Covered Property in which both you and a Loss Payee shown in the Schedule or in the Declarations have an insurable interest, we will:

1. Adjust losses with you; and
2. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

C. LENDER'S LOSS PAYABLE

1. The Loss Payee shown in the Schedule or in the Declarations is a creditor, including a mortgageholder or trustee, whose interest in Covered Property is established by such written instruments as:

- a. Warehouse receipts;
- b. A contract for deed;
- c. Bills of lading;
- d. Financing statements; or
- e. Mortgages, deeds of trust, or security agreements.

2. For Covered Property in which both you and a Loss Payee have an insurable interest:

- a. We will pay for covered loss or damage to each Loss Payee in their order of precedence, as interests may appear.

b. The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure or similar action on the Covered Property.

c. If we deny your claim because of your acts or because you have failed to comply with the terms of the Coverage Part, the Loss Payee will still have the right to receive loss payment if the Loss Payee:

- (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
- (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the Loss Payee.

All of the terms of this Coverage Part will then apply directly to the Loss Payee.

d. If we pay the Loss Payee for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

- (1) The Loss Payee's rights will be transferred to us to the extent of the amount we pay; and

- (2) The Loss Payee's right to recover the full amount of the Loss Payee's claim will not be impaired.

At our option, we may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, you will pay your remaining debt to us.

3. If we cancel this policy, we will give written notice to the Loss Payee at least:
 - a. 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
4. If we elect not to renew this policy, we will give written notice to the Loss Payee at least 10 days before the expiration date of this policy.

D. CONTRACT OF SALE

1. The Loss Payee shown in the Schedule or in the Declarations is a person or organization you have entered a contract with for the sale of Covered Property.
2. For Covered Property in which both you and the Loss Payee have an insurable interest, we will:
 - a. Adjust losses with you; and
 - b. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear:
3. The following is added to the OTHER INSURANCE Condition: For Covered Property that is the subject of a contract of sale, the word "you" includes the Loss Payee.

ANTIQUE DEALER'S INVENTORY COST VALUATION

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

Section **E.7.a.** is deleted and replaced by the following:

In the event of loss or damage covered by this Coverage Form, we shall not be liable beyond the actual cost to you or inventory carrying value of any article insured, whichever is the lower. For properties held in trust or on commission or on consignment or on which advances have been made, we shall not be liable beyond the cost valuation agreed to at time of consignment. The value of Covered Property will be determined above, except as provided in **b. c., d.,** and **e.** below.

ANTIQUE DEALER'S INVENTORY COST VALUATION

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

SECTION E. 7. a. is deleted and replaced by the following:

In the event of loss or damage covered by this Coverage Form, we shall not be liable beyond the actual cost to you or inventory carrying value of any article insured, whichever is the lower. For properties held in trust or on commission or on consignment or on which advances have been made, we shall not be liable beyond the cost valuation agreed to at time of consignment. The value of Covered Property will be determined as described above, except as provided in b., c., d., e., and f. below.

PROPERTY PLUS ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

1. In **Section A.4.a.(4) Debris Removal** wherever the amount of \$10,000 is listed it is deleted and replaced by \$25,000.
2. In **Section A.4.c. Fire Department Service Charge** the amount of \$1,000 is deleted and replaced by \$2,500.
3. In **Section A.4.d. Pollutant Clean Up and Removal** the amount of \$10,000 is deleted and replaced by \$25,000.
4. **Section A.4.e.** is deleted as broader coverage is included in **Section 12.n.** of this endorsement.
5. In **Section A.4.f.(4) Electronic Data** the amount of \$2,500 is deleted and replaced by \$25,000.
6. In **Section A.4. Additional Coverages** the following paragraphs are added:

g. Business Income

The term Business Income includes "Rental Value".

We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to insured property at the premises, which are described in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises is located.

We will pay only for loss of Business Income that occurs within 12 consecutive months after the date of direct physical loss or damage.

Business Income means the:

- (1) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- (2) Continuing normal operating expenses incurred, including payroll.

The most we will pay for loss or damage under this additional coverage is \$50,000 in any one occurrence.

h. Extra Expense

We will pay necessary Extra Expense you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to insured property at the premises which are described in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises is located.

We will only pay for Extra Expense that occurs within 12 consecutive months after the date of direct physical loss or damage.

Coverage pertains to expenses (other than the expense to repair or replace property) which are incurred to:

- (1) Avoid or minimize the “suspension” of business and to continue “operations” at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.
- (2) Minimize the “suspension” of business if you cannot continue “operations”.

We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Additional Coverage or Additional Coverage e. Business Income.

The most we will pay for loss or damage under this additional coverage is \$50,000 in any one occurrence.

i. Civil Authority

In this Additional Coverage – Civil Authority, the described premises are premises to which this Coverage Form applies, as shown in the Declarations.

When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and
- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority Coverage for Business Income will begin 72 hours after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

Civil Authority Coverage for Extra Expense will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will end:

- (1) Four consecutive weeks after the date of that action; or
- (2) When your Civil Authority Coverage for Business Income ends;

whichever is later.

j. Security Breach and Identity Services

We will now provide Security Breach services to you as well as Identity services to you, your employees and household family members.* These services are administered by Identity Theft 911®.

Security Breach Services – Confidential information entrusted to you, including SSNs and credit card data can sometimes be compromised. If such a security breach occurred, you might be required by law to notify the affected individuals. Identity Theft 911's Security Breach services will prepare you for the event of a potential breach and guide you through the process of notifying the affected individuals should a breach occur.

Identity Services – Identity services from Identity Theft 911 give you unlimited, one-on-one access to a highly experienced fraud specialist who will act as a personal advocate in a wide range of identity-compromising situations. Whether you have a serious identity theft crisis or need to take preventative measures regarding a lost or stolen wallet, you don't have to struggle on your own.

In the event of a security breach, contact Identity Theft 911 at **1-800-493-0943** and provide the following program number: **UFG100**. In case of an identity theft or identity-related concern, you, your employees and household family members should call Identity Theft 911 at **1-800-405-6108** and provide the following program number: **UFG100**. Highly trained fraud specialists are on call to provide unlimited personal assistance 24 hours a day, seven days a week.

More information about these services is available on our policyholder website at www.ufgPolicy.com, including a flyer that can be printed, e-mailed or posted on your company's bulletin board or intranet to inform employees of the free identity services available to them. We also recommend that you visit Identity Theft 911's website at www.myidentityservices.com to access the latest identity theft tips, media alerts, in-depth newsletters and more. Use the following login codes: Username: **cra2693**, Password: **rw3x26**.

*Identity services are available to a spouse and/or relative under age 23 who lives in the household.

7. In **Section A.5.a.(1) Newly Acquired or Constructed Property** the amount of \$250,000 is deleted and replaced by \$500,000.

Section A.5.a.(3) under **Newly Acquired or Constructed Property** is deleted and replaced by the following:

(3) Business Income

You may extend your Business Income and Extra Expense Additional Coverages to apply to property at any location you acquire other than at fairs, trade shows, or exhibitions.

The most we will pay for loss or damage under this extension is \$50,000 in any one occurrence.

(4) Period Of Coverage

With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:

- (a) This policy expires;
- (b) 60 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

- 8. In **Section A.5.b. Personal Effects and Property of Others** the amount \$2,500 is deleted and replaced by the amount \$10,000.
- 9. In **Section A.5.c.(4) Valuable Papers and Records (Other Than Electronic Data)** the amount of \$2,500 is deleted and replaced by \$25,000.
- 10. In **Section A.5.d.(3) Property Off-Premises** the amount of \$10,000 is deleted and replaced by \$20,000.
- 11. In **Section A.5.e. Outdoor Property** the following changes are being made:

The additional perils listed below are being added but only with respect to outdoor fences:

- (6) Windstorm;
- (7) Hail;
- (8) Vandalism;
- (9) Malicious Mischief;
- (10) Struck by Automobile.

The amount of \$1,000 is deleted and replaced by the amount of \$5,000. However, the limit of \$250 for any one tree, shrub or plant will remain the same.

- 12. In **Section A.5. Coverage Extensions** the following paragraphs are added:

g. Property in Transit

You may extend the insurance provided by this coverage part to apply to your Business Personal Property in Transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.

Loss or damage must be caused by or result from one of the following causes of loss:

- (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
- (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the road bed.
- (3) "Theft" of an entire bale, case, or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.

The most we will pay for loss or damage under this extension is \$20,000.

h. Accounts Receivable

You may extend the insurance that applies to your business personal property to apply to:

- (1) Your customers accounts which you are unable to collect because of direct loss or damage to your records of accounts receivable;
- (2) Interest charges on any loan taken out by you to offset accounts that are uncollectible because of loss or damage to accounts;
- (3) Collection expenses in excess of normal collection costs made necessary because of loss or damage to accounts;

- (4) Other reasonable expenses incurred to reestablish records of accounts receivable following loss or damage.

The most we will pay under this extension is \$25,000 at each described premises.

i. Fire Extinguisher Recharge

You may extend the insurance provided by this coverage form to cover expenses you incur to recharge portable fire extinguishers, dry chemical, carbon dioxide or liquid automatic fire extinguishing systems and the cost of resetting automatic fuel shut-off connections, if any of the above are discharged to fight a fire or are discharged due to a mechanical malfunction.

The most we will pay for loss or damage under this extension is \$1,000 in any one occurrence.

No deductible applies to this coverage extension.

j. Data Processing Coverage

- (1) Coverage. You may extend the insurance provided by this coverage part to pay up to \$25,000 for loss or damage to "Data Processing Equipment", including component parts of that equipment, "Data", "Media" (including unused media), or "Computer Programs" which are:

- (a) Owned by you;
- (b) Leased or rented to you; or
- (c) Under your control;

at a location described in the declaration.

- (2) Property not covered. Covered property does not include:

- (a) Property you lease or rent to others while it is away from your premises.

- (b) Any "data" or "media" which cannot be replaced with others of like kind or quality;
 - (c) Accounts, bills, evidence of debt, valuable papers, records, abstracts, deeds, manuscripts or other documents, except as they may be converted to data processing media form, and then only in that form.
- (3) Exclusions. In addition to the exclusions contained in the causes of loss form attached to this policy, we will not pay for loss or damage under this extension caused directly or indirectly by any of the following:
- (a) Error in machine programming or instructions to machine. But this exclusion does not apply to loss caused by acts of computer hackers, computer viruses, trojan horses, worms, logic bombs, or other malicious software;
 - (b) Actual work upon, installation or testing of property. But we will pay for direct loss caused by resulting fire or explosion;
- (4) Additional Definitions. The following definitions are added:
- (a) "Data processing equipment" means a network of machine components capable of accepting information, processing it according to plan, and producing desired results. It includes air conditioning, fire protection equipment, and electrical equipment used exclusively in your computer operations.
 - (b) "Data" means facts, concepts, or instructions, including computer programs, which are converted to a form usable in your data processing operations.
 - (c) "Media" means material on which data is recorded.
 - (d) "Computer Programs" means data used to direct computer equipment including diagrams or other records which can be used to reproduce the programs.
- (5) Off-Site Coverage. We will pay up to \$10,000 for loss or damage to laptops, palmtops, notebook PC's, other portable computer devices and accessories including, but not limited to, multimedia projectors while:
- (a) at your residence or the residence of your officers, partners, or "employees";
 - (b) temporarily at a premises that is not described on the declaration for more than 60 days; or
 - (c) in transit.
- k. Lock Replacement**
- You may extend the insurance provided by this coverage form to cover necessary expenses to repair or replace exterior or interior door locks of a covered building:
- (1) If your door keys are stolen in a covered "theft" loss; or
 - (2) When your locks are damaged by the burglars.
- The most we will pay under this extension is \$500 for any one occurrence.
- No deductible applies to this coverage extension.
- l. Money and Securities**
- This coverage applies in addition to other coverages provided by this policy. This coverage is subject to the terms and conditions applicable to property covered in this policy, except as provided below.

- (1) Coverage. We will pay up to \$ 10,000 in any one occurrence for loss of "money" and "securities" used in your business while at a bank or savings institution, within your living quarters or your partners or any "employee" having use and custody of the property.

At the locations shown in the declarations, or in transit between any of these places, resulting directly from:

- (a) "Theft";
 - (b) Disappearance; or
 - (c) Destruction.
- (2) Limitations and Exclusions. In addition to the limitations and exclusions applicable to property coverage, we will not pay for loss:
- (a) Resulting from accounting or arithmetical errors or omissions.
 - (b) Due to the giving or surrendering of property in any exchange or purchase; or
 - (c) Of property contained in any money-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.
- (3) Occurrence. All loss caused by one or more persons or involving a single act or series of related acts is considered one occurrence.
- (4) Conditions. You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.

In the event of loss or damage covered by this endorsement, we will determine the value of:

- (a) "Money" at its face value; and
- (b) "Securities" at their value at the close of business on the day the loss is discovered.

m. Off Premises Services – Direct Damage – Limit - \$10,000

We will pay up to \$10,000 for loss of or damage to Covered Property, caused by the interruption of service to the described premises. The interruption must result from direct physical loss or damage by a covered cause of loss to power supply services.

(1) Power Supply Services means the following types of property supplying electricity, steam or gas to the described premises:

- (a) Utility generating plants;
- (b) Switching stations;
- (c) Substations;
- (d) Transformers; and
- (e) Transmission lines.

It does not include overhead transmission lines.

n. Ordinance or Law Coverage

Increased Cost of Construction Limit - \$50,000
Demolition Limit - \$50,000

(1) Coverage

(a) Coverage A – Coverage For Loss to the Undamaged Portion of the Building.

If a covered cause of loss occurs to covered building property shown in the **Property Policy Coverage Part 1**, we will pay for loss to the undamaged portion of the building caused by enforcement of any ordinance or law that:

- (1) Requires the demolition of parts of the same property not damaged by a covered cause of loss;

(2) Regulates the construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and

(3) Is in force at the time of loss.

Coverage A is included within the limit of insurance applicable to the covered building property shown in the declarations. This is not additional insurance.

(b) Coverage B – Demolition Cost Coverage

If a covered cause of loss occurs to covered building property, we will pay the cost to demolish and clear the site of undamaged parts of the property caused by enforcement of building, zoning or land use ordinance or law.

The coinsurance additional condition does not apply to demolition cost coverage.

(c) Coverage C – Increased Cost of Construction Coverage.

If a covered cause of loss occurs to covered building property, we will pay for the increased cost to repair, rebuild or construct the property caused by enforcement of building, zoning or land use ordinance or law. If the property is repaired or rebuilt, it must be intended for similar occupancy as the current property, unless otherwise required by zoning or land use ordinance or law.

However, we will not pay for the increased cost of construction if the building is not repaired or replaced.

The coinsurance additional condition does not apply to increased cost of construction.

(2) We will not pay under this endorsement for the costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of “pollutants”.

(3) Under Coverage A – Coverage for Loss to the Undamaged Portion of the Building:

(a) If the replacement Cost Coverage Option applies and the property is repaired or replaced, on the same or another premises, we will not pay more for loss or damage to covered property, including loss caused by enforcement of an ordinance or law, than the lesser of:

(1) The amount you actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or

(2) The limit of insurance applicable to the covered building property.

(b) (1) If the replacement cost coverage option applies and the property is **not** repaired or replaced; or

(2) If the replacement cost coverage does not apply:

We will not pay more for loss or damage to covered property, including loss caused by enforcement of an ordinance or law, than the lesser of:

(a) The actual cash value of the building at the time of the loss; or

(b) The limit of insurance applicable to the covered building property.

(4) We will not pay more under **Coverage B – Demolition Cost Coverage** than the lesser of the following:

- (a) The amount you actually spend to demolish and clear the site of the described premises; or
- (b) The applicable demolition cost limit of insurance of \$50,000 as shown under **n. Ordinance or Law Coverage**

(5) (a) We will not pay under **Coverage C – Increased Cost of Construction Coverage**:

- (1) Until the property is actually repaired or replaced, at the same or another premises; and
 - (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
- (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage C is the lesser of:
- (1) The increased cost of construction at the same premises; or
 - (2) The \$50,000 increased cost of construction limit of insurance.
- (c) If the ordinance or law requires relocation to another premises, the most we will pay under Coverage C is the lesser of:
- (1) The increased cost of construction at the new premises; or
 - (2) The \$50,000 increased cost of construction limit of insurance.

(6) The terms of this endorsement apply separately to each building to which this endorsement applies.

o. Fine Arts

We will pay for loss or damage to paintings, etchings, pictures, tapestries, art glass windows and other bona fide works of art of rarity, historical value, or artistic merit caused by or resulting from a Covered Cause of Loss.

The most we will pay under this extension is \$10,000 for any one occurrence.

The value of Fine Arts will be the market value at the time of physical loss or physical damage.

p. Employee Theft

We will pay for loss of or damage to “money”, “securities” and “other property” resulting directly from “theft” committed by an “employee”, whether identified or not, acting alone or in collusion with other persons.

The most we will pay under this extension is \$5,000 for any one occurrence.

q. Forgery Or Alteration

(a) We will pay for loss resulting directly from “forgery” or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in “money” that are:

- (1) Made or drawn by or drawn upon you; or
- (2) Made or drawn by one acting as your agent;

or that are purported to have been so made or drawn.

- (b) If you are sued for refusing to pay any instrument covered in Paragraph **a.** above, on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount that we will pay is in addition to the Limit of Insurance applicable to this Insuring Agreement.

The most we will pay under this extension is \$2,000 for any one occurrence.

r. Interruption of Computer Operations

- (1) Under this Coverage Extension, electronic data has the meaning described under Property Not Covered- Electronic Data.
- (2) Subject to all provisions of this Coverage Extension, you may extend the insurance that applies to Business Income and Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a Covered Cause of Loss.
- (3) With respect to the coverage provided under this Coverage Extension, the Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including electronic data) by any "employee", including a temporary or leased "employee", or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.

- (4) The most we will pay under this Coverage Extension – Interruption of Computer Operations is \$10,000 for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.

- (5) This Coverage Extension – Interruption in Computer Operations does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in (4) above has not been exhausted.

These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

13. Section C. Limits of Insurance is deleted and replaced by the following:

C. Limits of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs (other than signs attached to buildings) is \$5,000 per sign in any one occurrence.

The most we will pay for loss or damage to outdoor signs attached to buildings is \$10,000 per sign in any one occurrence.

The amounts of insurance or time period stated in the following Additional Coverages apply in accordance with the terms of such coverages and are separate from the Limit(s) of Insurance shown in the Declarations for any other coverage:

- (1) Fire Department Service Charge;
- (2) Pollutant Clean-up And Removal;
- (3) Coverage B – Demolition Cost Coverage found under n. Ordinance or Law Coverage;
- (4) Coverage C – Increased Cost of Construction found under n. Ordinance or Law Coverage
- (5) Electronic Data;
- (6) Business Income;
- (7) Extra Expense; and
- (8) Civil Authority

Payments under the Preservation of Property Additional Coverage will not increase the applicable Limit of Insurance.

The Limit of Insurance for your Business Personal Property will automatically increase by 25% to provide for seasonal variations. This increase will apply only if the Limit of Insurance shown for your Business Personal Property in the Declarations is at least 100% of your average monthly values during the lesser of:

- a. The 12 months immediately preceding the date the loss or damage occurs; or
- b. The period of time you have been in business as of the date the loss or damage occurs.

14. In **Section D. Deductible** the following paragraph is added:

With respect to the following Additional Coverage or Coverage Extensions provided by this form: Personal Effects and Property of Others, Property in Transit, Data Processing Coverage (Off-Site Coverage only), Money and Securities, Off Premises Services – Direct Damage, Fine Arts, Employee Theft and Forgery or Alteration;

The policy deductible or \$1,000 will apply, whichever is less.

15. In **Section E.7. Valuation** the following changes are being made.

Paragraph a. is being replaced by the following:

- a. At actual cash value as of the time of the loss or damage, except as provided in b. through j. below.

Paragraphs f. through j. are being added as shown below:

- f. With respect to personal property of others, if an item(s) of personal property of others is subject to a written lease which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you were liable under such lease, but not to exceed the lesser of the replacement cost of the property or the applicable limit of insurance.
- g. Business Income Loss will be determined based on:
 - (1) The Net Income of the business before the direct physical loss or damage occurred;
 - (2) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;

(3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and

(4) Other relevant sources of information, including:

(a) Your financial records and accounting procedures;

(b) Bills, invoices and other vouchers; and

(c) Deeds, liens or contracts.

h. Loss under Extra Expense will be determined based on:

(1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses;

(a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and

(b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and

(2) Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

i. Resumption Of Operations

We will reduce the amount of your:

(1) Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.

(2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

(3) If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

j. The agreed total amount of Accounts Receivable will be:

(1) The amount of all outstanding accounts receivable at the end of the same month in the preceding year; multiplied by

(2) The percentage of change in the average monthly total of accounts receivable for the 12 months preceding the month in which the loss occurs;

(3) Adjusted by deductions for:

(a) Records not lost or damaged;

(b) Accounts that the insured is able to collect; and

(c) An allowance for probable bad debts which would normally be uncollectible by the insured.

16. In **Section H. Definitions** the following paragraphs are added:

4. "Employee":

a. "Employee" means:

(1) Any natural person:

(a) While in your service or for 30 days after termination of service;

(b) Who you compensate directly by salary, wages or commissions; and

(c) Who you have the right to direct and control while performing services for you;

(2) Any natural person who is furnished temporarily to you;

(a) To substitute for a permanent "employee" as defined in Paragraph (1) above, who is on leave; or

(b) To meet seasonal or short-term work load conditions;

while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the "premises".

(3) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph (2) above;

(4) Any natural person who is:

(a) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any "employee benefit plan(s)" insured under this coverage form; and

(b) Your director or trustee while that person is handling "funds" or "other property" of any "employee benefit plan(s)" insured under this coverage form;

(5) Any natural person who is a former "employee", director, partner, "member", "manager", representative or trustee retained as a consultant while performing services for you; or

(6) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside the "premises".

b. "Employee" does not mean:

(1) Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or

(2) Any "manager", director or trustee except while performing acts coming within the scope of the usual duties of an "employee".

5. **"Forgery"** means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.

6. **"Money"** means:

a. Currency, coins and bank notes in current use and having a face value; and

b. Travelers checks, registered checks and money orders held for sale to the public.

7. **"Operations"** means:

a. Your business activities occurring at the described premises; and

b. The tenantability of the described premises, when coverage for "Rental Value" applies.

8. **"Other Property"** means any tangible property other than "money" and "securities" that has intrinsic value but does not include any property excluded under this insurance.

9. **"Period of Restoration"** means the period of time that:

a. Begins:

(1) 72 hours after the time of direct physical loss or damage for Business Income coverage; or

(2) Immediately after the time of direct physical loss or damage for Extra Expense coverage:

caused by or resulting from any Covered Cause of Loss at the described premises; and

b. Ends on the earlier of:

(1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or

(2) The date when business is resumed at a new permanent location.

"Period of restoration" does not include any increased period required due to the enforcement of any law that:

(1) Regulates the construction, use or repair, or requires the tearing down of any property; or

(2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

10. "Rental Value" means Business Income that consists of:

a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and

b. Containing normal operating expenses incurred in connection with that premises, including:

(1) Payroll; and

(2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.

11. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or property and includes:

a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and

b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include "money".

12. "Suspension" means:

a. The slowdown or cessation of your business activities; or

b. That a part of or all the described premises is rendered untenable, when coverage for "Rental Value" applies.

13. "Theft" means the unlawful taking of "money", "securities", or "other property" to the deprivation of the Insured.

PROPERTY PLUS ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

1. In **Section A.4.a.(4) Debris Removal** wherever the amount of \$10,000 is listed it is deleted and replaced by \$25,000.
2. In **Section A.4.c. Fire Department Service Charge** the amount of \$1,000 is deleted and replaced by \$2,500.
3. In **Section A.4.d. Pollutant Clean Up and Removal** the amount of \$10,000 is deleted and replaced by \$25,000.
4. **Section A.4.e.** is deleted as broader coverage is included in **Section 12.n.** of this endorsement.
5. In **Section A.4.f.(4) Electronic Data** the amount of \$2,500 is deleted and replaced by \$25,000.
6. In **Section A.4. Additional Coverages** the following paragraphs are added:

g. Business Income

The term Business Income includes "Rental Value".

We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to insured property at the premises, which are described in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises is located.

We will pay only for loss of Business Income that occurs within 12 consecutive months after the date of direct physical loss or damage.

Business Income means the:

- (1) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- (2) Continuing normal operating expenses incurred, including payroll.

The most we will pay for loss or damage under this additional coverage is \$50,000 in any one occurrence.

h. Extra Expense

We will pay necessary Extra Expense you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to insured property at the premises which are described in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises is located.

We will only pay for Extra Expense that occurs within 12 consecutive months after the date of direct physical loss or damage.

Coverage pertains to expenses (other than the expense to repair or replace property) which are incurred to:

- (1) Avoid or minimize the "suspension" of business and to continue "operations" at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.

- (2) Minimize the “suspension” of business if you cannot continue “operations”.

We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Additional Coverage or Additional Coverage e. Business Income.

The most we will pay for loss or damage under this additional coverage is \$50,000 in any one occurrence.

i. Civil Authority

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises due to direct physical loss of or damage to property, other than at the described premises, caused by or resulting from any Covered Cause of Loss.

The coverage for Business Income will begin 72 hours after the time of that action and will apply for a period of up to three consecutive weeks after coverage begins.

The coverage for Extra Expense will begin immediately after the time of that action and will end:

- (1) 3 consecutive weeks after the time of that action; or
- (2) When your Business Income coverage ends;

whichever is greater.

7. In **Section A.5.a.(1) Newly Acquired or Constructed Property** the amount of \$250,000 is deleted and replaced by \$500,000.

Section A.5.a.(3) under **Newly Acquired or Constructed Property** is deleted and replaced by the following:

(3) Business Income

You may extend your Business Income and Extra Expense Additional Coverages to apply to property at any location you acquire other than at fairs, trade shows, or exhibitions.

The most we will pay for loss or damage under this extension is \$50,000 in any one occurrence.

(4) Period Of Coverage

With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:

- (a) This policy expires;
- (b) 60 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

8. In **Section A.5.b. Personal Effects and Property of Others** the amount \$2,500 is deleted and replaced by the amount \$10,000.

9. In **Section A.5.c.(4) Valuable Papers and Records (Other Than Electronic Data)** the amount of \$2,500 is deleted and replaced by \$25,000.

10. In **Section A.5.d.(3) Property Off-Premises** the amount of \$10,000 is deleted and replaced by \$20,000.

11. In **Section A.5.e. Outdoor Property** the following changes are being made:

The additional perils listed below are being added but only with respect to outdoor fences and signs (other than signs attached to buildings):

- (6) Windstorm;
- (7) Hail;

- (8) Vandalism;
- (9) Malicious Mischief;
- (10) Struck by Automobile.

The amount of \$1,000 is deleted and replaced by the amount of \$5,000. However, the limit of \$250 for any one tree, shrub or plant will remain the same.

12. In Section A.5. Coverage Extensions the following paragraphs are added:

g. Property in Transit

You may extend the insurance provided by this coverage part to apply to your Business Personal Property in Transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.

Loss or damage must be caused by or result from one of the following causes of loss:

- (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
- (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the road bed.
- (3) "Theft" of an entire bale, case, or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.

The most we will pay for loss or damage under this extension is \$20,000.

h. Accounts Receivable

You may extend the insurance that applies to your business personal property to apply to:

- (1) Your customers accounts which you are unable to collect because of direct loss or damage to your records of accounts receivable;
- (2) Interest charges on any loan taken out by you to offset accounts that are uncollectible because of loss or damage to accounts;
- (3) Collection expenses in excess of normal collection costs made necessary because of loss or damage to accounts;
- (4) Other reasonable expenses incurred to reestablish records of accounts receivable following loss or damage.

The most we will pay under this extension is \$25,000 at each described premises.

i. Fire Extinguisher Recharge

You may extend the insurance provided by this coverage form to cover expenses you incur to recharge portable fire extinguishers, dry chemical, carbon dioxide or liquid automatic fire extinguishing systems and the cost of resetting automatic fuel shut-off connections, if any of the above are discharged to fight a fire or are discharged due to a mechanical malfunction.

The most we will pay for loss or damage under this extension is \$1,000 in any one occurrence.

No deductible applies to this coverage extension.

j. Data Processing Coverage

- (1) Coverage. You may extend the insurance provided by this coverage part to pay up to \$25,000 for loss or damage to "Data Processing Equipment", including component parts of that equipment, "Data", "Media" (including unused media), or "Computer Programs" which are:

- (a) Owned by you;
- (b) Leased or rented to you; or
- (c) Under your control;

at a location described in the declaration.

(2) Property not covered. Covered property does not include:

(a) Property you lease or rent to others while it is away from your premises.

(b) Any "data" or "media" which cannot be replaced with others of like kind or quality;

(c) Accounts, bills, evidence of debt, valuable papers, records, abstracts, deeds, manuscripts or other documents, except as they may be converted to data processing media form, and then only in that form.

(3) Exclusions. In addition to the exclusions contained in the causes of loss form attached to this policy, we will not pay for loss or damage under this extension caused directly or indirectly by any of the following:

(a) Error in machine programming or instructions to machine. But this exclusion does not apply to loss caused by acts of computer hackers, computer viruses, trojan horses, worms, logic bombs, or other malicious software;

(b) Actual work upon, installation or testing of property. But we will pay for direct loss caused by resulting fire or explosion;

(4) Additional Definitions. The following definitions are added:

(a) "Data processing equipment" means a network of machine components capable of accepting information, processing it according to plan, and producing desired results. It includes air conditioning, fire protection equipment, and electrical equipment used exclusively in your computer operations.

(b) "Data" means facts, concepts, or instructions, including computer programs, which are converted to a form usable in your data processing operations.

(c) "Media" means material on which data is recorded.

(d) "Computer Programs" means data used to direct computer equipment including diagrams or other records which can be used to reproduce the programs.

(5) Off-Site Coverage. We will pay up to \$10,000 for loss or damage to laptops, palmtops, notebook PC's, other portable computer devices and accessories including, but not limited to, multimedia projectors while:

(a) at your residence or the residence of your officers, partners, or "employees";

(b) temporarily at a premises that is not described on the declaration for more than 60 days; or

(c) in transit.

k. Lock Replacement

You may extend the insurance provided by this coverage form to cover necessary expenses to repair or replace exterior or interior door locks of a covered building:

(1) If your door keys are stolen in a covered "theft" loss; or

(2) When your locks are damaged by the burglars.

The most we will pay under this extension is \$500 for any one occurrence.

No deductible applies to this coverage extension.

l. Money and Securities

This coverage applies in addition to other coverages provided by this policy. This coverage is subject to the terms and conditions applicable to property covered in this policy, except as provided below.

- (1) Coverage. We will pay up to \$10,000 in any one occurrence for loss of "money" and "securities" used in your business while at a bank or savings institution, within your living quarters or your partners or any "employee" having use and custody of the property.

At the locations shown in the declarations, or in transit between any of these places, resulting directly from:

- (a) "Theft";
- (b) Disappearance; or
- (c) Destruction.

- (2) Limitations and Exclusions. In addition to the limitations and exclusions applicable to property coverage, we will not pay for loss:

- (a) Resulting from accounting or arithmetical errors or omissions.
- (b) Due to the giving or surrendering of property in any exchange or purchase; or
- (c) Of property contained in any money-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.

- (3) Occurrence. All loss caused by one or more persons or involving a single act or series of related acts is considered one occurrence.

- (4) Conditions. You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.

In the event of loss or damage covered by this endorsement, we will determine the value of:

- (a) "Money" at its face value; and
- (b) "Securities" at their value at the close of business on the day the loss is discovered.

m. Off Premises Services – Direct Damage – Limit - \$10,000

We will pay up to \$10,000 for loss of or damage to Covered Property, caused by the interruption of service to the described premises. The interruption must result from direct physical loss or damage by a covered cause of loss to power supply services.

- (1) **Power Supply Services** means the following types of property supplying electricity, steam or gas to the described premises:

- (a) Utility generating plants;
- (b) Switching stations;
- (c) Substations;
- (d) Transformers; and
- (e) Transmission lines.

It does not include overhead transmission lines.

n. Ordinance or Law Coverage

Increased Cost of Construction Limit - \$50,000
Demolition Limit - \$50,000

(1) Coverage

- (a) **Coverage A – Coverage For Loss to the Undamaged Portion of the Building.**

If a covered cause of loss occurs to covered building property shown in the **Property Policy Coverage Part 1**, we will pay for loss to the undamaged portion of the building caused by enforcement of any ordinance or law that:

- (1) Requires the demolition of parts of the same property not damaged by a covered cause of loss;

(2) Regulates the construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and

(3) Is in force at the time of loss.

Coverage A is included within the limit of insurance applicable to the covered building property shown in the declarations. This is not additional insurance.

(b) Coverage B – Demolition Cost Coverage

If a covered cause of loss occurs to covered building property, we will pay the cost to demolish and clear the site of undamaged parts of the property caused by enforcement of building, zoning or land use ordinance or law.

The coinsurance additional condition does not apply to demolition cost coverage.

(c) Coverage C – Increased Cost of Construction Coverage.

If a covered cause of loss occurs to covered building property, we will pay for the increased cost to repair, rebuild or construct the property caused by enforcement of building, zoning or land use ordinance or law. If the property is repaired or rebuilt, it must be intended for similar occupancy as the current property, unless otherwise required by zoning or land use ordinance or law.

However, we will not pay for the increased cost of construction if the building is not repaired or replaced.

The coinsurance additional condition does not apply to increased cost of construction.

(2) We will not pay under this endorsement for the costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of “pollutants”.

(3) Under Coverage A – Coverage for Loss to the Undamaged Portion of the Building:

(a) If the replacement Cost Coverage Option applies and the property is repaired or replaced, on the same or another premises, we will not pay more for loss or damage to covered property, including loss caused by enforcement of an ordinance or law, than the lesser of:

(1) The amount you actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or

(2) The limit of insurance applicable to the covered building property.

(b) (1) If the replacement cost coverage option applies and the property is **not** repaired or replaced; or

(2) If the replacement cost coverage does not apply:

We will not pay more for loss or damage to covered property, including loss caused by enforcement of an ordinance or law, than the lesser of:

(a) The actual cash value of the building at the time of the loss; or

(b) The limit of insurance applicable to the covered building property.

(4) We will not pay more under **Coverage B – Demolition Cost Coverage** than the lesser of the following:

- (a) The amount you actually spend to demolish and clear the site of the described premises; or
- (b) The applicable demolition cost limit of insurance of \$50,000 as shown under **n. Ordinance or Law Coverage**

(5) (a) We will not pay under **Coverage C – Increased Cost of Construction Coverage**:

- (1) Until the property is actually repaired or replaced, at the same or another premises; and
 - (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
- (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage C is the lesser of:
- (1) The increased cost of construction at the same premises; or
 - (2) The \$50,000 increased cost of construction limit of insurance.
- (c) If the ordinance or law requires relocation to another premises, the most we will pay under Coverage C is the lesser of:
- (1) The increased cost of construction at the new premises; or

(2) The \$50,000 increased cost of construction limit of insurance.

(6) The terms of this endorsement apply separately to each building to which this endorsement applies.

o. Fine Arts

We will pay for loss or damage to paintings, etchings, pictures, tapestries, art glass windows and other bona fide works of art of rarity, historical value, or artistic merit caused by or resulting from a Covered Cause of Loss.

The most we will pay under this extension is \$10,000 for any one occurrence.

The value of Fine Arts will be the market value at the time of physical loss or physical damage.

p. Employee Theft

We will pay for loss of or damage to “money”, “securities” and “other property” resulting directly from “theft” committed by an “employee”, whether identified or not, acting alone or in collusion with other persons.

The most we will pay under this extension is \$5,000 for any one occurrence.

q. Forgery Or Alteration

a. We will pay for loss resulting directly from “forgery” or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in “money” that are:

- (1) Made or drawn by or drawn upon or
- (2) Made or drawn by one acting as your agent;

or that are purported to have been so made or drawn.

- b. If you are sued for refusing to pay any instrument covered in Paragraph a. above, on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount that we will pay is in addition to the Limit of Insurance applicable to this Insuring Agreement.

The most we will pay under this extension is \$2,000 for any one occurrence.

r. Interruption of Computer Operations

- (1) Under this Coverage Extension, electronic data has the meaning described under Property Not Covered - Electronic Data.
- (2) Subject to all provisions of this Coverage Extension, you may extend the insurance that applies to Business Income and Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a Covered Cause of Loss.
- (3) With respect to the coverage provided under this Coverage Extension, the Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including electronic data) by any "employee", including a temporary or leased "employee", or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.

- (4) The most we will pay under this Coverage Extension – Interruption of Computer Operations is \$10,000 for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.

- (5) This Coverage Extension – Interruption in Computer Operations does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in (4) above has not been exhausted.

These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

13. Section C. Limits of Insurance is deleted and replaced by the following:

C. Limits of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs attached to buildings is \$10,000 per sign in any one occurrence.

The limits applicable to the Fire Department Service Charge, Pollutant Clean Up and Removal, Business Income, Extra Expense and Civil Authority are in addition to the Limits of Insurance.

Payments under the Preservation of Property Additional Coverage will not increase the applicable Limit of Insurance.

The Limit of Insurance for your Business Personal Property will automatically increase by 25% to provide for seasonal variations. This increase will apply only if the Limit of Insurance shown for your Business Personal Property in the Declarations is at least 100% of your average monthly values during the lesser of:

- a. The 12 months immediately preceding the date the loss or damage occurs; or
- b. The period of time you have been in business as of the date the loss or damage occurs.

14. In Section D. Deductible the following paragraph is added:

With respect to the following Additional Coverage or Coverage Extensions provided by this form: Personal Effects and Property of Others, Property in Transit, Data Processing Coverage (Off-Site Coverage only), Money and Securities, Off Premises Services – Direct Damage, Fine Arts, Employee Theft and Forgery or Alteration;

The policy deductible or \$1,000 will apply, whichever is less.

15. In Section E.7. Valuation the following changes are being made.

Paragraph **a.** is being replaced by the following:

- a. At actual cash value as of the time of the loss or damage, except as provided in **b.** through **j.** below.

Paragraphs **f** through **j.** are being added as shown below:

- f. With respect to personal property of others, if an item(s) of personal property of others is subject to a written lease which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you were liable under such lease, but not to exceed the lesser of the replacement cost of the property or the applicable limit of insurance.
- g. Business Income Loss will be determined based on:
 - (1) The Net Income of the business before the direct physical loss or damage occurred;
 - (2) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
 - (3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
 - (4) Other relevant sources of information, including:
 - (a) Your financial records and accounting procedures;
 - (b) Bills, invoices and other vouchers; and
 - (c) Deeds, liens or contracts.
- h. Loss under Extra Expense will be determined based on:
 - (1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses;

(a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and

(b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and

(2) Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

i. Resumption Of Operations

We will reduce the amount of your:

(1) Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.

(2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

(3) If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

j. The agreed total amount of Accounts Receivable will be:

(1) The amount of all outstanding accounts receivable at the end of the same month in the preceding year; multiplied by

(2) The percentage of change in the average monthly total of accounts receivable for the 12 months preceding the month in which the loss occurs;

(3) Adjusted by deductions for:

(a) Records not lost or damaged;

(b) Accounts that the insured is able to collect; and

(c) An allowance for probable bad debts which would normally be uncollectible by the insured.

16. In Section H. Definitions the following paragraphs are added:

4. "Employee" :

a. "Employee" means:

(1) Any natural person:

(a) While in your service or for 30 days after termination of service;

(b) Who you compensate directly by salary, wages or commissions; and

(c) Who you have the right to direct and control while performing services for you;

(2) Any natural person who is furnished temporarily to you;

(a) To substitute for a permanent "employee" as defined in Paragraph (1) above, who is on leave; or

(b) To meet seasonal or short-term work load conditions;

while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the "premises".

(3) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph (2) above;

(4) Any natural person who is:

- (a) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any "employee benefit plan(s)" insured under this coverage form; and
- (b) Your director or trustee while that person is handling "funds" or "other property" of any "employee benefit plan(s)" insured under this coverage form;

(5) Any natural person who is a former "employee", director, partner, "member", "manager", representative or trustee retained as a consultant while performing services for you; or

(6) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside the "premises".

b. "Employee" does not mean:

- (1) Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
- (2) Any "manager", director or trustee except while performing acts coming within the scope of the usual duties of an "employee".

5. **"Forgery"** means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.

6. **"Money"** means:

- a. Currency, coins and bank notes in current use and having a face value; and

- b. Travelers checks, registered checks and money orders held for sale to the public.

7. **"Operations"** means:

- a. Your business activities occurring at the described premises; and
- b. The tenantability of the described premises, when coverage for "Rental Value" applies.

8. **"Other Property"** means any tangible property other than "money" and "securities" that has intrinsic value but does not include any property excluded under this insurance.

9. **"Period of Restoration"** means the period of time that:

a. Begins:

(1) 72 hours after the time of direct physical loss or damage for Business Income coverage; or

(2) Immediately after the time of direct physical loss or damage for Extra Expense coverage:

caused by or resulting from any Covered Cause of Loss at the described premises; and

b. Ends on the earlier of:

(1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or

(2) The date when business is resumed at a new permanent location.

"Period of restoration" does not include any increased period required due to the enforcement of any law that:

- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or

- (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

10. **"Rental Value"** means Business Income that consists of:

Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred

- a. as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and
- b. Containing normal operating expenses incurred in connection with that premises, including:

(1) Payroll; and

- (2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.

11. **"Securities"** means negotiable and non -negotiable instruments or contracts representing either "money" or property and includes:

- a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
- b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include "money".

12. **"Suspension"** means:

- a. The slowdown or cessation of your business activities; or
- b. That a part of or all the described premises is rendered untenable, when coverage for "Rental Value" applies.

13. **"Theft"** means the unlawful taking of "money", "securities", or "other property" to the deprivation of the Insured.

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION E – DEFINITIONS.

A. COVERAGE

1. Business Income

We will pay for the loss of Business Income due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to insured property at premises, which are described in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises is located.

We will pay only for loss of Business Income that occurs within 90 days after the date of direct physical loss or damage.

Business Income means the:

- (a) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- (b) Continuing normal operating expenses incurred, including payroll.

2. Covered Causes of Loss

See applicable Causes of Loss form shown in the Declarations.

3. Extra Expense

We will pay necessary Extra Expense you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property at the described premises and your "mobile equipment" at such other locations at which you are conducting "operations", including immediately before and after your "operations" at those locations, caused by or resulting from any Covered Causes of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises is located.

We will only pay for Extra Expense that occurs within 90 days after the date of direct physical loss or damage.

Extra Expense means the expense incurred:

- a. To avoid or minimize the "suspension" of business and to continue "operations":
 - (1) At the described premises and such other locations where you are, have been, or will be conducting "operations"; or
 - (2) At replacement premises or at temporary locations, including:

- (i) Relocation expenses; and
 - (ii) Costs to equip and operate the replacement or temporary locations.
- b. To minimize the "suspension" of business if you cannot continue "operations".
- c. (1) To repair or replace any property; or
- (2) To research, replace or restore the lost information on damaged valuable papers and records;

to the extent it reduces the amount of loss that otherwise would have been payable under this **Coverage 1. Business Income**.

The coverage for Extra Expense will begin immediately after the time of that action and will end:

- a. 90 days after the time of that action; or
- b. When your Business Income coverage ends.

4. Civil Authority

In this Additional Coverage – Civil Authority, the described premises are premises to which this Coverage Form applies, as shown in the Declarations.

When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and

- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority Coverage for Business Income will begin 72 hours after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

Civil Authority Coverage for Extra Expense will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will end:

- (1) Four consecutive weeks after the date of that action; or
- (2) When your Civil Authority Coverage for Business Income ends;

whichever is later.

5. **Alterations and New Buildings.** We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss to:

- a. New buildings or structures, whether complete or under construction;
- b. Alterations or additions to existing buildings or structures; and
- c. Machinery, equipment, supplies or building materials located on or within 100 feet of the described premises and;
 - (1) Used in the construction, alterations or additions; or
 - (2) Incidental to the occupancy of new buildings.

If such direct physical loss or damage delays the start of "operations", the "period of restoration", for Business Income coverage, will begin on the date "operations" would have begun if the direct physical loss or damage had not occurred.

6. Newly Acquired Locations

- a. You may extend your Business Income and Extra Expense Coverages to apply to property at any location you acquire other than fairs or exhibitions.
- b. The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is \$100,000 at each location.
- c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:
 - (1) This policy expires;
 - (2) 30 days expire after you acquire or begin to construct the property; or
 - (3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

This Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

B. EXCLUSION AND LIMITATION

See applicable Causes of Loss Form as shown in the Declarations.

C. LOSS CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Appraisal

If we and you disagree on the amount of Net Income and operating expenses or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser.

The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expenses or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

2. Duties In The Event of Loss

- a. You must see that the following are done in the event of loss:
 - (1) Notify the police if a law may have been broken.
 - (2) Give us prompt notice of the direct physical loss or damage. Include a description of the property involved.
 - (3) As soon as possible, give us a description of how, when and where the direct physical loss or damage occurred.

(4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order of examination.

(5) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

(6) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

(7) Cooperate with us in the investigation or settlement of the claim.

(8) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.

b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

3. Limitation – Electronic Media And Records

We will not pay for any loss of Business Income caused by direct physical loss of or damage to Electronic Media and Records after the longer of:

- a. 60 consecutive days from the date of direct physical loss or damage; or
- b. The period, beginning with the date of direct physical loss or damage, necessary to repair, rebuild or replace, with reasonable speed and similar quality, other property at the described premises due to loss or damage caused by the same occurrence.

Electronic Media and Records are:

- (1) Electronic data processing, recording or storage media such as films, tapes, discs, drums or cells;
- (2) Data stored on such media; or
- (3) Programming records used for electronic data processing or electronically controlled equipment.

This limitation does not apply to Extra Expense.

Example No. 1

A covered Cause of Loss damages a computer on June 1. It takes until September 1 to replace the computer and until October 1 to restore the data that was lost when the damage occurred. We will only pay for the Business Income loss sustained during the period June 1 – September 1. Loss during the period September 2 – October 1 is not covered.

Example No. 2

A Covered Cause of Loss results in the loss of data processing programming records on August 1. The records are replaced on October 15. We will only pay for the Business Income loss sustained during the period August 1 – September 29 (60 consecutive days). Loss during the period September 30 – October 15 is not covered.

4. Loss Determination

a. The amount of Business Income loss will be determined based on:

- (1) The Net Income of the business before the direct physical loss or damage occurred;
- (2) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses.
- (3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
- (4) Other relevant sources of information, including:
 - (a) Your financial records and accounting procedures;
 - (b) Bills, invoices and other vouchers; and
 - (c) Deeds, liens or contracts.

b. The amount of Extra Expense will be determined based on:

- (1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
 - (a) The salvage value that remains of any property brought for temporary use during the "period of restoration", once "operations" are resumed; and
 - (b) Any Extra Expense that is paid for by other insurance, except for insurance that is written, subject to the same plan, terms, conditions and provisions as this insurance; and
- (2) All necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

c. Resumption Of Operations

We will reduce the amount of your:

- (1) Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
 - (2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.
- d. If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

5. Loss Payment

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:

- a. We have reached agreement with you on the amount of loss; or
- b. An appraisal award has been made.

E. DEFINITIONS

1. "Finished Stock" means stock you have manufactured.

"Finished stock" also includes whisky and alcoholic products being aged, unless there is a Coinsurance percentage shown for Business Income in the Declarations.

"Finished stock" does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this Coverage part.

2. "Operations" means:

- a. Your business activities occurring at the described premises; and
- b. The tenantability of the described premises, if coverage for Business Income including "Rental Value" or "Rental Value" applies.

3. "Period of Restoration" means the period of time that:

- a. Begins:

- (1) 72 hours after the time of direct physical loss or damage for Business Income coverage; or

- (2) Immediately after the time of direct physical loss or damage for Extra Expense coverage;

caused by or resulting from any Covered Cause of Loss occurring within the policy term at the described premises; and

- b. Ends on the earlier of:

- (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or

- (2) The date when business is resumed at a new permanent location.

"Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or

- (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The Covered Cause of Loss must commence within the policy term. The expiration date of this policy will not cut short the "period of restoration".

4. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
5. "Suspension" means the slowdown or cessation of your business activities.

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION E - DEFINITIONS.

A. COVERAGE

1. Business Income

We will pay for the loss of Business Income due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at premises which are described in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises are located. We will pay only for loss of Business Income that occurs within 90 days after the date of direct physical loss or damage.

Business Income means the:

- (a) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- (b) Continuing normal operating expenses incurred, including payroll.

2. Covered Causes of Loss

See applicable Causes of Loss form shown in the Declarations.

3. Extra Expense

We will pay necessary Extra Expense you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property at the described premises and your "mobile equipment" at such other locations at which you are conducting "operations", including immediately before and after your "operations" at those locations, caused by or resulting from any Covered Causes of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises are located.

We will pay only for Extra Expense that occurs within 90 days after the date of direct physical loss or damage.

Extra Expense means the expense incurred:

- a. To avoid or minimize the "suspension" of business and to continue "operations":
 - (1) At the described premises and such other locations where you are, have been, or will be conducting "operations"; or
 - (2) At replacement premises or at temporary locations, including:
 - (i) Relocation expenses; and
 - (ii) Costs to equip and operate the replacement or temporary locations.
- b. To minimize the "suspension" of business if you cannot continue "operations".
- c. (1) To repair or replace any property; or
- (2) To research, replace or restore the lost information on damaged valuable papers and records;

to the extent it reduces the amount of loss that otherwise would have been payable under this **Coverage 1. Business Income.**

The coverage for Extra Expense will begin immediately after the time of that action and will end:

- a. 90 days after the time of that action; or
 - b. When your Business Income coverage ends.
4. **Civil Authority.** We will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises and such other locations at which you are, have been, or will be conducting "operations" due to direct physical loss of or damage to property, other than at the described premises or at such other said locations, caused by or resulting from a Covered Cause of Loss.

The coverage for Business Income will begin 72 hours after the time of that action and will apply for a period of up to three consecutive weeks after coverage begins.

The coverage for Extra Expense will begin immediately after the time of that action and will end:

- a. 3 consecutive weeks after the time of that action; or
- b. When your Business Income coverage ends;

whichever is later.

5. Alterations and New Buildings. We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss to:

- a. New buildings or structures, whether complete or under construction;
- b. Alterations or additions to existing buildings or structures; and
- c. Machinery, equipment, supplies or building materials located on or within 100 feet of the described premises and:
 - (1) Used in the construction, alterations or additions; or
 - (2) Incidental to the occupancy of new buildings.

If such direct physical loss or damage delays the start of "operations", the "period of restoration", for Business Income coverage, will begin on the date "operations" would have begun if the direct physical loss or damage had not occurred.

6. Newly Acquired Locations

- a. You may extend your Business Income and Extra Expense Coverages to apply to property at any location you acquire other than fairs or exhibitions.
- b. The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is \$100,000 at each location.
- c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:
 - (1) This policy expires;

- (2) 30 days expire after you acquire or begin to construct the property; or

- (3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

This Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

B. EXCLUSION AND LIMITATIONS

See applicable Causes of Loss Form as shown in the Declarations.

C. LOSS CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Appraisal

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser.

The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expenses or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

2. Duties In The Event of Loss

- a. You must see that the following are done in the event of loss:
 - (1) Notify the police if a law may have been broken.
 - (2) Give us prompt notice of the direct physical loss or damage. Include a description of the property involved.

(3) As soon as possible, give us a description of how, when and where the direct physical loss or damage occurred.

(4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order of examination.

(5) As often as may be reasonably, required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

(6) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

(7) Cooperate with us in the investigation or settlement of the claim.

(8) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.

b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

3. Limitation - Electronic Media And Records

We will not pay for any loss of Business Income caused by direct physical loss of or damage to Electronic Media and Records after the longer of:

- a. 60 consecutive days from the date of direct physical loss or damage; or
- b. The period, beginning with the date of direct physical loss or damage, necessary to repair, rebuild or replace, with reasonable speed and similar quality, other property at the described premises due to loss or damage caused by the same occurrence.

Electronic Media and Records are:

- (1) Electronic data processing, recording or storage media such as films, tapes, discs, drums or cells;
- (2) Data stored on such media; or
- (3) Programming records used for electronic data processing or electronically controlled equipment.

This limitation does not apply to Extra Expense.

Example No. 1

A Covered Cause of Loss damages a computer on June 1. It takes until September 1 to replace the computer, and until October 1 to restore the data that was lost when the damage occurred. We will only pay for the Business Income loss sustained during the period June 1 - September 1. Loss during the period September 2 - October 1 is not covered.

Example No. 2

A Covered Cause of Loss results in the loss of data processing programming records on August 1. The records are replaced on October 15. We will only pay for the Business Income loss sustained during the period August 1 - September 29 (60 consecutive days). Loss during the period September 30 - October 15 is not covered.

4. Loss Determination

a. The amount of Business Income loss will be determined based on:

- (1) The Net Income of the business before the direct physical loss or damage occurred;
- (2) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses.
- (3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
- (4) Other relevant sources of information, including:
 - (a) Your financial records and accounting procedures;
 - (b) Bills, invoices and other vouchers; and
 - (c) Deeds, liens or contracts.

b. The amount of Extra Expense will be determined based on:

- (1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
 - (a) The salvage value that remains of any property bought for temporary use during the "period of restoration," once "operations" are resumed; and

- (b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and

- (2) All necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

c. Resumption Of Operations

We will reduce the amount of your:

- (1) Business Income loss, other than Extra Expense, to the extent you can resume your "operations," in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
- (2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

d. If you do not resume "operations," or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

5. Loss Payment

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:

- a. We have reached agreement with you on the amount of loss; or
- b. An appraisal award has been made.

E. DEFINITIONS

1. "Finished Stock" means stock you have manufactured.

"Finished stock" also includes whiskey and alcoholic products being aged, unless there is a Coinsurance percentage shown for Business Income in the Declarations.

"Finished stock" does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this Coverage part.

2. "Operations" means:

- a.** Your business activities occurring at the described premises; and
- b.** The tenantability of the described premises, if coverage for Business Income including "Rental Value" or "Rental Value" applies.

3. "Period of Restoration" means the period of time that:

a. Begins:

- (1)** 72 hours after the time of direct physical loss or damage for Business Income coverage; or
- (2)** Immediately after the time of direct physical loss or damage for Extra Expense coverage;

caused by or resulting from any Covered Cause of Loss occurring within the policy term at the described premises; and

b. Ends on the earlier of:

- (1)** The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or

- (2)** The date when business is resumed at a new permanent location.

"Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

- (1)** Regulates the construction, use or repair, or requires the tearing down of any property; or
- (2)** Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The Covered Cause of Loss must commence within the policy term. The expiration date of this policy will not cut short the "period of restoration".

- 4.** "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 5.** "Suspension" means the slowdown or cessation of your business activities.

CONTRACTORS PROPERTY PLUS ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

1. In **Section A.4.a.(4) Debris Removal** wherever the amount of \$10,000 is listed it is deleted and replaced by \$25,000.
2. In **Section A.4.c. Fire Department Service Charge** the amount of \$1,000 is deleted and replaced by \$2,500.
3. In **Section A.4.d. Pollutant Clean Up and Removal** the amount of \$10,000 is deleted and replaced by \$25,000.
4. **Section A.4.e.** is deleted as broader coverage is included in **Section 12.n.** of this endorsement.
5. In **Section A.4.f.(4) Electronic Data** the amount of \$2,500 is deleted and replaced by \$25,000.
6. In **Section A.4. Additional Coverages** the following paragraphs are added:

g. Business Income

The term Business Income includes "Rental Value".

We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to insured property at the premises, which are described in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises is located.

We will pay only for loss of Business Income that occurs within 12 consecutive months after the date of direct physical loss or damage.

Business Income means the:

- (1) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- (2) Continuing normal operating expenses incurred, including payroll.

The most we will pay for loss or damage under this additional coverage is \$50,000 in any one occurrence.

h. Extra Expense

We will pay necessary Extra Expense you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to insured property at the premises which are described in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises is located.

We will only pay for Extra Expense that occurs within 12 consecutive months after the date of direct physical loss or damage.

Coverage pertains to expenses (other than the expense to repair or replace property) which are incurred to:

- (1) Avoid or minimize the “suspension” of business and to continue “operations” at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.
- (2) Minimize the “suspension” of business if you cannot continue “operations”.

We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Additional Coverage or Additional Coverage e. Business Income.

The most we will pay for loss or damage under this additional coverage is \$50,000 in any one occurrence.

i. Civil Authority

In this Additional Coverage – Civil Authority, the described premises are premises to which this Coverage Form applies, as shown in the Declarations.

When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and
- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority Coverage for Business Income will begin 72 hours after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

Civil Authority Coverage for Extra Expense will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will end:

- (1) Four consecutive weeks after the date of that action; or
- (2) When your Civil Authority Coverage for Business Income ends;

whichever is later.

j. Security Breach and Identity Services

We will now provide Security Breach services to you as well as Identity services to you, your employees and household family members.* These services are administered by Identity Theft 911®.

Security Breach Services – Confidential information entrusted to you, including SSNs and credit card data can sometimes be compromised. If such a security breach occurred, you might be required by law to notify the affected individuals. Identity Theft 911's Security Breach services will prepare you for the event of a potential breach and guide you through the process of notifying the affected individuals should a breach occur.

Identity Services – Identity services from Identity Theft 911 give you unlimited, one-on-one access to a highly experienced fraud specialist who will act as a personal advocate in a wide range of identity-compromising situations. Whether you have a serious identity theft crisis or need to take preventative measures regarding a lost or stolen wallet, you don't have to struggle on your own.

In the event of a security breach, contact Identity Theft 911 at **1-800-493-0943** and provide the following program number: **UFG100**. In case of an identity theft or identity-related concern, you, your employees and household family members should call Identity Theft 911 at **1-800-405-6108** and provide the following program number: **UFG100**. Highly trained fraud specialists are on call to provide unlimited personal assistance 24 hours a day, seven days a week.

More information about these services is available on our policyholder website at www.ufgPolicy.com, including a flyer that can be printed, e-mailed or posted on your company's bulletin board or intranet to inform employees of the free identity services available to them. We also recommend that you visit Identity Theft 911's website at www.myidentityservices.com to access the latest identity theft tips, media alerts, in-depth newsletters and more. Use the following login codes: Username: **cra2693**, Password: **rw3x26**.

*Identity services are available to a spouse and/or relative under age 23 who lives in the household.

7. In **Section A.5.a.(1) Newly Acquired or Constructed Property** the amount of \$250,000 is deleted and replaced by \$500,000.

Section A.5.a.(3) under **Newly Acquired or Constructed Property** is deleted and replaced by the following:

(3) Business Income

You may extend your Business Income and Extra Expense Additional Coverages to apply to property at any location you acquire other than at fairs, trade shows, or exhibitions.

The most we will pay for loss or damage under this extension is \$50,000 in any one occurrence.

(4) Period Of Coverage

With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:

- (a) This policy expires;
- (b) 60 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

- 8. In **Section A.5.b. Personal Effects and Property of Others** the amount \$2,500 is deleted and replaced by the amount \$10,000.
- 9. In **Section A.5.c.(4) Valuable Papers and Records (Other Than Electronic Data)** the amount of \$2,500 is deleted and replaced by \$25,000.
- 10. In **Section A.5.d.(3) Property Off-Premises** the amount of \$10,000 is deleted and replaced by \$20,000.
- 11. In **Section A.5.e. Outdoor Property** the following changes are being made:

The additional perils listed below are being added but only with respect to outdoor fences:

- (6) Windstorm;
- (7) Hail;
- (8) Vandalism;
- (9) Malicious Mischief;
- (10) Struck by Automobile.

The amount of \$1,000 is deleted and replaced by the amount of \$5,000. However, the limit of \$250 for any one tree, shrub or plant will remain the same.

- 12. In **Section A.5. Coverage Extensions** the following paragraphs are added:

g. Accounts Receivable

You may extend the insurance that applies to your business personal property to apply to:

- (1) Your customers accounts which you are unable to collect because of direct loss or damage to your records of accounts receivable;
- (2) Interest charges on any loan taken out by you to offset accounts that are uncollectible because of loss or damage to accounts;
- (3) Collection expenses in excess of normal collection costs made necessary because of loss or damage to accounts;
- (4) Other reasonable expenses incurred to reestablish records of accounts receivable following loss or damage.

The most we will pay under this extension is \$25,000 at each described premises.

h. Fire Extinguisher Recharge

You may extend the insurance provided by this coverage form to cover expenses you incur to recharge portable fire extinguishers, dry chemical, carbon dioxide or liquid automatic fire extinguishing systems and the cost of resetting automatic fuel shut-off connections, if any of the above are discharged to fight a fire or are discharged due to a mechanical malfunction.

The most we will pay for loss or damage under this extension is \$1,000 in any one occurrence.

No deductible applies to this coverage extension.

i. Data Processing Coverage

- (1) Coverage. You may extend the insurance provided by this coverage part to pay up to \$25,000 for loss or damage to "Data Processing Equipment", including component parts of that equipment, "Data", "Media" (including unused media), or "Computer Programs" which are:

- (a) Owned by you;
- (b) Leased or rented to you; or
- (c) Under your control;

at a location described in the declaration.

- (2) Property not covered. Covered property does not include:

- (a) Property you lease or rent to others while it is away from your premises.
- (b) Any "data" or "media" which cannot be replaced with others of like kind or quality;
- (c) Accounts, bills, evidence of debt, valuable papers, records, abstracts, deeds, manuscripts or other documents, except as they may be converted to data processing media form, and then only in that form.

- (3) Exclusions. In addition to the exclusions contained in the causes of loss form attached to this policy, we will not pay for loss or damage under this extension caused directly or indirectly by any of the following:

- (a) Error in machine programming or instructions to machine. But this exclusion does not apply to loss caused by acts of computer hackers, computer viruses, trojan horses, worms, logic bombs, or other malicious software;

- (b) Actual work upon, installation or testing of property. But we will pay for direct loss caused by resulting fire or explosion;
- (4) Additional Definitions. The following definitions are added:
 - (a) "Data processing equipment" means a network of machine components capable of accepting information, processing it according to plan, and producing desired results. It includes air conditioning, fire protection equipment, and electrical equipment used exclusively in your computer operations.
 - (b) "Data" means facts, concepts, or instructions, including computer programs, which are converted to a form usable in your data processing operations.
 - (c) "Media" means material on which data is recorded.
 - (d) "Computer Programs" means data used to direct computer equipment including diagrams or other records which can be used to reproduce the programs.
- (5) Off-Site Coverage. We will pay up to \$10,000 for loss or damage to laptops, palmtops, notebook PC's, other portable computer devices and accessories including, but not limited to, multimedia projectors while:
 - (a) at your residence or the residence of your officers, partners, or employees;
 - (b) temporarily at a premises that is not described on the declaration for more than 60 days; or
 - (c) in transit.

(6) Additional Covered Perils

We will pay for direct physical loss of or damage to Covered Property described in **i.(1)** or **i.(5)** above caused by or resulting from any Covered Cause of Loss. Additionally, we will pay for direct physical loss of or damage to Covered Property described in **i.(1)** or **i.(5)** above caused or resulting from:

- (a) Mechanical breakdown or machinery breakdown;
- (b) Short circuit, blow-out, or other electrical damage to electrical equipment, apparatus or devices including wiring;
- (c) Electrical or magnetic injury or disturbance or erasure of electronic recordings.

But we will not cover loss caused by or resulting from any change in your electrical power supply, such as interruption, power surge, or brown-out, if the change originates more than 100 feet from the building containing your computer equipment.

j. Lock Replacement

You may extend the insurance provided by this coverage form to cover necessary expenses to repair or replace exterior or interior door locks of a covered building:

- (1) If your door keys are stolen in a covered theft loss; or
- (2) When your locks are damaged by the burglars.

The most we will pay under this extension is \$500 for any one occurrence.

No deductible applies to this coverage extension.

k. Off Premises Services - Direct Damage - Limit - \$10,000

We will pay up to \$10,000 for loss of or damage to Covered Property, caused by the interruption of service to the described premises. The interruption must result from direct physical loss or damage by a covered cause of loss to power supply services.

(1) Power Supply Services means the following types of property supplying electricity, steam or gas to the described premises:

- (a)** Utility generating plants;
- (b)** Switching stations;
- (c)** Substations;
- (d)** Transformers; and
- (e)** Transmission lines.

It does not include overhead transmission lines.

l. Ordinance or Law Coverage

Increased Cost of Construction Limit - \$50,000
Demolition Limit - \$50,000

(1) Coverage

(a) Coverage A - Coverage For Loss to the Undamaged Portion of the Building.

If a covered cause of loss occurs to covered building property shown in the **Property Policy Coverage Part 1**, we will pay for loss to the undamaged portion of the building caused by enforcement of any ordinance or law that:

- (1)** Requires the demolition of parts of the same property not damaged by a covered cause of loss;

(2) Regulates the construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and

(3) Is in force at the time of loss.

Coverage A is included within the limit of insurance applicable to the covered building property shown in the declarations. This is not additional insurance.

(b) Coverage B - Demolition Cost Coverage

If a covered cause of loss occurs to a covered building property, we will pay the cost to demolish and clear the site of undamaged parts of the property caused by enforcement of building, zoning or land use ordinance or law.

The coinsurance additional condition does not apply to demolition cost coverage.

(c) Coverage C - Increased Cost of Construction Coverage.

If a covered cause of loss occurs to covered building property, we will pay for the increased cost to repair, rebuild or construct the property caused by enforcement of building, zoning or land use ordinance or law. If the property is repaired or rebuilt, it must be intended for similar occupancy as the current property, unless otherwise required by zoning or land use ordinance or law.

However, we will not pay for the increased cost of construction if the building is not repaired or replaced.

The coinsurance additional condition does not apply to increased cost of construction.

- (2) We will not pay under this endorsement for the costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

(3) Under Coverage A - Coverage for Loss to the Undamaged Portion of the Building:

- a. If the replacement Cost Coverage Option applies and the property is repaired or replaced, on the same or another premises, we will not pay more for loss or damage to covered property, including loss caused by enforcement of an ordinance or law, than the lesser of:

- (1) The amount you actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or

- (2) The limit of insurance applicable to the covered building property.

- b. (1) If the replacement cost coverage option applies and the property is **not** repaired or replaced; or

- (2) If the replacement cost coverage does not apply:

We will not pay more for loss or damage to covered property, including loss caused by enforcement of an ordinance or law, than the lesser of:

- (a) The actual cash value of the building at the time of the loss; or

- (b) The limit of insurance applicable to the covered building property.

- (4) We will not pay more under **Coverage B - Demolition Cost Coverage** than the lesser of the following:

- a. The amount you actually spend to demolish and clear the site of the described premises; or
- b. The applicable demolition cost limit of insurance of \$50,000 as shown under **n. Ordinance or Law Coverage**

(5) a. We will not pay under Coverage C - Increased Cost of Construction Coverage:

- (1) Until the property is actually repaired or replaced, at the same or another premises; and

- (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

- b. If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage C is the lesser of:

- (1) The increased cost of construction at the same premises; or

- (2) The \$50,000 increased cost of construction limit of insurance.

- c. If the ordinance or law requires relocation to another premises, the most we will pay under Coverage C is the lesser of:

- (1) The increased cost of construction at the new premises; or

- (2) The \$50,000 increased cost of construction limit of insurance.

- (6) The terms of this endorsement apply separately to each building to which this endorsement applies.

m. Fine Arts

We will pay for loss or damage to paintings, etchings, pictures, tapestries, art glass windows and other bona fide works of art of rarity, historical value, or artistic merit caused by or resulting from a Covered Cause of Loss.

The most we will pay under this extension is \$10,000 for any one occurrence.

The value of Fine Arts will be the market value at the time of physical loss or physical damage.

n. Employee Theft

We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from "theft" committed by an "employee", whether identified or not, acting alone or in collusion with other persons.

The most we will pay under this extension is \$5,000 for any one occurrence.

o. Forgery Or Alteration

- a. We will pay for loss resulting directly from "forgery" or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:

(1) Made or drawn by or drawn upon you; or

(2) Made or drawn by one acting as your agent;

or that are purported to have been so made or drawn.

- b. If you are sued for refusing to pay any instrument covered in Paragraph a. above, on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount that we will pay is in addition to the Limit of Insurance applicable to this Insuring Agreement.

The most we will pay under this extension is \$2,000 for any one occurrence.

p. Interruption of Computer Operations

- (1) Under this Coverage Extension, electronic data has the meaning described under Property Not Covered - Electronic Data.

- (2) Subject to all provisions of this Coverage Extension, you may extend the insurance that applies to Business Income and Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a Covered Cause of Loss.

- (3) With respect to the coverage provided under this Coverage Extension, the Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including electronic data) by any "employee", including a temporary or leased "employee", or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.

(4) The most we will pay under this Coverage Extension – Interruption of Computer Operations is \$10,000 for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.

(5) This Coverage Extension - Interruption in Computer Operations does not apply to loss sustained or expense incurred after the end of the “period of restoration”, even if the amount of insurance stated in (4) above has not been exhausted.

These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

13. Section C. Limits of Insurance is deleted and replaced by the following:

C. Limits of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs (other than signs attached to buildings) is \$5,000 per sign in any one occurrence.

The most we will pay for loss or damage to outdoor signs attached to buildings is \$10,000 per sign in any one occurrence.

The amounts of insurance or time period stated in the following Additional Coverages apply in accordance with the terms of such coverages and are separate from the Limit(s) of Insurance shown in the Declarations for any other coverage.

- (1) Fire Department Service Charge;
- (2) Pollutant Clean-up And Removal;
- (3) Coverage B – Demolition Cost Coverage found under I. Ordinance or Law coverage;
- (4) Coverage C – Increased Cost of Construction found under I. Ordinance or Law coverage;
- (5) Electronic Data;
- (6) Business Income;
- (7) Extra Expense; and
- (8) Civil Authority.

Payments under the Preservation of Property Additional Coverage will not increase the applicable Limit of Insurance.

The Limit of Insurance for your Business Personal Property will automatically increase by 25% to provide for seasonal variations. This increase will apply only if the Limit of Insurance shown for your Business Personal Property in the Declarations is at least 100% of your average monthly values during the lesser of:

- a. The 12 months immediately preceding the date the loss or damage occurs; or
- b. The period of time you have been in business as of the date the loss or damage occurs.

- 14. In Section D. Deductible** the following paragraph is added:

With respect to the following Additional Coverage or Coverage Extensions provided by this form: Personal Effects and Property of Others, Property in Transit, Data Processing Coverage (Off-Site Coverage only), Off Premises Services – Direct Damage, Fine Arts, Employee Theft and Forgery or Alteration;

The policy deductible or \$1,000 will apply, whichever is less.

- 15. In Section E.7. Valuation** the following changes are being made.

Paragraph **a.** is being replaced by the following:

- a.** At actual cash value as of the time of the loss or damage, except as provided in **b.** through **j.** below.

Paragraphs **f.** through **j.** are being added as shown below:

- f.** With respect to personal property of others, if an item(s) of personal property of others is subject to a written lease which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you were liable under such lease, but not to exceed the lesser of the replacement cost of the property or the applicable limit of insurance.

- g.** Business Income Loss will be determined based on:

- (1)** The Net Income of the business before the direct physical loss or damage occurred;

- (2)** The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;

- (3)** The operating expenses, including payroll expenses, necessary to resume “operations” with the same quality of service that existed just before the direct physical loss or damage; and

- (4)** Other relevant sources of information, including:

- (a)** Your financial records and accounting procedures;

- (b)** Bills, invoices and other vouchers; and

- (c)** Deeds, liens or contracts.

- h.** Loss under Extra Expense will be determined based on:

- (1)** All expenses that exceed the normal operating expenses that would have been incurred by “operations” during the “period of restoration” if no direct physical loss or damage had occurred. We will deduct from the total of such expenses;

- (a)** The salvage value that remains of any property bought for temporary use during the “period of restoration”, once “operations” are resumed; and

- (b)** Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and

- (2)** Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

i. Resumption Of Operations

We will reduce the amount of your:

- (1)** Business Income loss, other than Extra Expense, to the extent you can resume your “operations”, in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.

(2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

(3) If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

j. The agreed total amount of Accounts Receivable will be:

(1) The amount of all outstanding accounts receivable at the end of the same month in the preceding year; multiplied by

(2) The percentage of change in the average monthly total of accounts receivable for the 12 months preceding the month in which the loss occurs;

(3) Adjusted by deductions for:

(a) Records not lost or damaged;

(b) Accounts that the insured is able to collect; and

(c) An allowance for probable bad debts which would normally be uncollectible by the insured.

16. In **Section H. Definitions** the following paragraphs are added:

4. "Employee"

a. "Employee" means:

(1) Any natural person:

(a) While in your service or for 30 days after termination of service;

(b) Who you compensate directly by salary, wages or commissions; and

(c) Who you have the right to direct and control while performing services for you;

(2) Any natural person who is furnished temporarily to you;

(a) To substitute for a permanent "employee" as defined in Paragraph (1) above, who is on leave; or

(b) To meet seasonal or short-term work load conditions;

while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the "premises".

(3) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph (2) above;

(4) Any natural person who is:

(a) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any "employee benefit plan(s)" insured under this coverage form; and

(b) Your director or trustee while that person is handling "funds" or "other property" of any "employee benefit plan(s)" insured under this coverage form;

(5) Any natural person who is a former "employee", director, partner, "member", "manager", representative or trustee retained as a consultant while performing services for you; or

(6) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside the "premises".

b. "Employee" does not mean:

- (1) Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
- (2) Any "manager", director or trustee except while performing acts coming within the scope of the usual duties of an "employee".

5. **"Forgery"** means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.

6. **"Money"** means:

- a. Currency, coins and bank notes in current use and having a face value; and
- b. Travelers checks, registered checks and money orders held for sale to the public.

7. **"Operations"** means:

- a. Your business activities occurring at the described premises; and
- b. The tenantability of the described premises, when coverage for "Rental Value" applies.

8. **"Other Property"** means any tangible property other than "money" and "securities" that has intrinsic value but does not include any property excluded under this insurance.

9. **"Period of Restoration"** means the period of time that:

- a. Begins:
 - (1) 72 hours after the time of direct physical loss or damage for Business Income coverage; or
 - (2) Immediately after the time of direct physical loss or damage for Extra Expense coverage:

caused by or resulting from any Covered Cause of Loss at the described premises; and

b. Ends on the earlier of:

- (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
- (2) The date when business is resumed at a new permanent location.

"Period of restoration" does not include any increased period required due to the enforcement of any law that:

- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

10. **"Rental Value"** means Business Income that consists of:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and
- b. Containing normal operating expenses incurred in connection with that premises, including:
 - (1) Payroll; and
 - (2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.

11. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or property and includes:

- a.** Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
- b.** Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include "money".

12. "Suspension" means:

- a.** The slowdown or cessation of your business activities; or
- b.** That a part of or all the described premises is rendered untenable, when coverage for "Rental Value" applies.

13. "Theft" means the unlawful taking of "money", "securities", or "other property" to the deprivation of the insured.

CONTRACTORS PROPERTY PLUS ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

1. In **Section A.4.a.(4) Debris Removal** wherever the amount of \$10,000 is listed it is deleted and replaced by \$25,000.
2. In **Section A.4.c. Fire Department Service Charge** the amount of \$1,000 is deleted and replaced by \$2,500.
3. In **Section A.4.d. Pollutant Clean Up and Removal** the amount of \$10,000 is deleted and replaced by \$25,000.
4. **Section A.4.e.** is deleted as broader coverage is included in **Section 12.I.** of this endorsement.
5. In **Section A.4.f.(4) Electronic Data** the amount of \$2,500 is deleted and replaced by \$25,000.
6. In **Section A.4. Additional Coverages** the following paragraphs are added:

g. Business Income

The term Business Income includes "Rental Value".

We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to insured property at the premises, which are described in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises is located.

We will pay only for loss of Business Income that occurs within 12 consecutive months after the date of direct physical loss or damage.

Business Income means the:

- (1) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- (2) Continuing normal operating expenses incurred, including payroll.

The most we will pay for loss or damage under this additional coverage is \$50,000 in any one occurrence.

h. Extra Expense

We will pay necessary Extra Expense you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to insured property at the premises which are described in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises is located.

We will only pay for Extra Expense that occurs within 12 consecutive months after the date of direct physical loss or damage.

Coverage pertains to expenses (other than the expense to repair or replace property) which are incurred to:

- (1) Avoid or minimize the "suspension" of business and to continue "operations" at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.

- (2) Minimize the “suspension” of business if you cannot continue “operations”.

We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Additional Coverage or Additional Coverage e. Business Income.

The most we will pay for loss or damage under this additional coverage is \$50,000 in any one occurrence.

i. Civil Authority

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises due to direct physical loss of or damage to property, other than at the described premises, caused by or resulting from any Covered Cause of Loss.

The coverage for Business Income will begin 72 hours after the time of that action and will apply for a period of up to three consecutive weeks after coverage begins.

The coverage for Extra Expense will begin immediately after the time of that action and will end:

- (1) 3 consecutive weeks after the time of that action; or
- (2) When your Business Income coverage ends;

whichever is greater.

7. In **Section A.5.a.(1) Newly Acquired or Constructed Property** the amount of \$250,000 is deleted and replaced by \$500,000.

Section A.5.a.(3) under **Newly Acquired or Constructed Property** is deleted and replaced by the following:

(3) Business Income

You may extend your Business Income and Extra Expense Additional Coverages to apply to property at any location you acquire other than at fairs, trade shows, or exhibitions.

The most we will pay for loss or damage under this extension is \$50,000 in any one occurrence.

(4) Period Of Coverage

With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:

- (a) This policy expires;
- (b) 60 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

- 8. In **Section A.5.b. Personal Effects and Property of Others** the amount \$2,500 is deleted and replaced by the amount \$10,000.
- 9. In **Section A.5.c.(4) Valuable Papers and Records (Other Than Electronic Data)** the amount of \$2,500 is deleted and replaced by \$25,000.
- 10. In **Section A.5.d.(3) Property Off-Premises** the amount of \$10,000 is deleted and replaced by \$20,000.
- 11. In **Section A.5.e. Outdoor Property** the following changes are being made:

The additional perils listed below are being added but only with respect to outdoor fences and signs (other than signs attached to buildings):

(6) Windstorm;
(7) Hail;

- (8) Vandalism;
- (9) Malicious Mischief;
- (10) Struck by Automobile.

The amount of \$1,000 is deleted and replaced by the amount of \$5,000. However, the limit of \$250 for any one tree, shrub or plant will remain the same.

12. In Section A.5. Coverage Extensions the following paragraphs are added:

g. Accounts Receivable

You may extend the insurance that applies to your business personal property to apply to:

- (1) Your customers accounts which you are unable to collect because of direct loss or damage to your records of accounts receivable;
- (2) Interest charges on any loan taken out by you to offset accounts that are uncollectible because of loss or damage to accounts;
- (3) Collection expenses in excess of normal collection costs made necessary because of loss or damage to accounts;
- (4) Other area reasonable expenses incurred to reestablish records of accounts receivable following loss or damage.

The most we will pay under this extension is \$25,000 at each described premises.

h. Fire Extinguisher Recharge

You may extend the insurance provided by this coverage form to cover expenses you incur to recharge portable fire extinguishers, dry chemical, carbon dioxide or liquid automatic fire extinguishing systems and the cost of resetting automatic fuel shut-off connections, if any of the above are discharged to fight a fire or are discharged due to a mechanical malfunction.

The most we will pay for loss or damage under this extension is \$1,000 in any one occurrence.

No deductible applies to this coverage extension.

i. Data Processing Coverage

- (1) Coverage. You may extend the insurance provided by this coverage part to pay up to \$25,000 for loss or damage to "Data Processing Equipment", including component parts of that equipment, "Data", "Media" (including unused media), or "Computer Programs" which are:

- (a) Owned by you;
- (b) Leased or rented to you; or
- (c) Under your control;

at a location described in the declaration.

- (2) Property not covered. Covered property does not include:

- (a) Property you lease or rent to others while it is away from your premises.
- (b) Any "data" or "media" which cannot be replaced with others of like kind or quality;
- (c) Accounts, bills, evidence of debt, valuable papers, records, abstracts, deeds, manuscripts or other documents, except as they may be converted to data processing media form, and then only in that form.

- (3) Exclusions. In addition to the exclusions contained in the causes of loss form attached to this policy, we will not pay for loss or damage under this extension caused directly or indirectly by any of the following:

- (a) Error in machine programming or instructions to machine. But this exclusion does not apply to loss caused by acts of computer hackers, computer viruses, trojan horses, worms, logic bombs, or other malicious software;
 - (b) Actual work upon, installation or testing of property. But we will pay for direct loss caused by resulting fire or explosion;
- (4) Additional Definitions. The following definitions are added:
- (a) "Data processing equipment" means a network of machine components capable of accepting information, processing it according to plan, and producing desired results. It includes air conditioning, fire protection equipment, and electrical equipment used exclusively in your computer operations.
 - (b) "Data" means facts, concepts, or instructions, including computer programs, which are converted to a form usable in your data processing operations.
 - (c) "Media" means material on which data is recorded.
 - (d) "Computer Programs" means data used to direct computer equipment including diagrams or other records which can be used to reproduce the programs.
- (5) Off-Site Coverage. We will pay up to \$10,000 for loss or damage to laptops, palmtops, notebook PC's, other portable computer devices and accessories including, but not limited to, multimedia projectors while:
- (a) at your residence or the residence of your officers, partners, or employees;

- (b) temporarily at a premises that is not described on the declaration for more than 60 days; or
- (c) in transit.

(6) Additional Covered Perils

We will pay for direct physical loss of or damage to Covered Property described in **i.(1)** or **i.(5)** above caused by or resulting from any Covered Cause of Loss. Additionally, we will pay for direct physical loss of or damage to Covered Property described in **i.(1)** or **i.(5)** above caused or resulting from:

- (a) Mechanical breakdown or machinery breakdown;
- (b) Short circuit, blow-out, or other electrical damage to electrical equipment, apparatus or devices including wiring;
- (c) Electrical or magnetic injury or disturbance or erasure of electronic recordings.

But we will not cover loss caused by or resulting from any change in your electrical power supply, such as interruption, power surge, or brown-out, if the change originates more than 100 feet from the building containing your computer equipment.

j. Lock Replacement

You may extend the insurance provided by this coverage form to cover necessary expenses to repair or replace exterior or interior door locks of a covered building:

- (1) If your door keys are stolen in a covered theft loss; or
- (2) When your locks are damaged by the burglars.

The most we will pay under this extension is \$500 for any one occurrence.

No deductible applies to this coverage extension.

k. Off Premises Services - Direct Damage - Limit - \$10,000

We will pay up to \$10,000 for loss of or damage to Covered Property, caused by the interruption of service to the described premises. The interruption must result from direct physical loss or damage by a covered cause of loss to power supply services.

(1) Power Supply Services means the following types of property supplying electricity, steam or gas to the described premises:

- (a)** Utility generating plants;
- (b)** Switching stations;
- (c)** Substations;
- (d)** Transformers; and
- (e)** Transmission lines.

It does not include overhead transmission lines.

l. Ordinance or Law Coverage

Increased Cost of Construction Limit - \$50,000
Demolition Limit - \$50,000

(1) Coverage

(a) Coverage A - Coverage For Loss to the Undamaged Portion of the Building.

If a covered cause of loss occurs to covered building property shown in the **Property Policy Coverage Part 1**, we will pay for loss to the undamaged portion of the building caused by enforcement of any ordinance or law that:

- (1)** Requires the demolition of parts of the same property not damaged by a covered cause of loss;
- (2)** Regulates the construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
- (3)** Is in force at the time of loss.

Coverage A is included within the limit of insurance applicable to the covered building property shown in the declarations. This is not additional insurance.

(b) Coverage B - Demolition Cost Coverage

If a covered cause of loss occurs to covered building property, we will pay the cost to demolish and clear the site of undamaged parts of the property caused by enforcement of building, zoning or land use ordinance or law.

The coinsurance additional condition does not apply to demolition cost coverage.

(c) Coverage C - Increased Cost of Construction Coverage.

If a covered cause of loss occurs to covered building property, we will pay for the increased cost to repair, rebuild or construct the property caused by enforcement of building, zoning or land use ordinance or law. If the property is repaired or rebuilt, it must be intended for similar occupancy as the current property, unless otherwise required by zoning or land use ordinance or law.

However, we will not pay for the increased cost of construction if the building is not repaired or replaced.

The coinsurance additional condition does not apply to increased cost of construction.

- (2) We will not pay under this endorsement for the costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

(3) Under Coverage A - Coverage for Loss to the Undamaged Portion of the Building:

- a. If the replacement Cost Coverage Option applies and the property is repaired or replaced, on the same or another premises, we will not pay more for loss or damage to covered property, including loss caused by enforcement of an ordinance or law, than the lesser of:

- (1) The amount you actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or

- (2) The limit of insurance applicable to the covered building property.

- b. (1) If the replacement cost coverage option applies and the property is **not** repaired or replaced; or

- (2) If the replacement cost coverage does not apply:

We will not pay more for loss or damage to covered property, including loss caused by enforcement of an ordinance or law, than the lesser of:

- (a) The actual cash value of the building at the time of the loss; or

- (b) The limit of insurance applicable to the covered building property.

- (4) We will not pay more under **Coverage B - Demolition Cost Coverage** than the lesser of the following:

- a. The amount you actually spend to demolish and clear the site of the described premises; or
- b. The applicable demolition cost limit of insurance of \$50,000 as shown under **n. Ordinance or Law Coverage**:

- (5) a. We will not pay under **Coverage C - Increased Cost of Construction Coverage**:

- (1) Until the property is actually repaired or replaced, at the same or another premises; and

- (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

- b. If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage C is the lesser of:

- (1) The increased cost of construction at the same premises; or

- (2) The \$50,000 increased cost of construction limit of insurance.

- c. If the ordinance or law requires relocation to another premises, the most we will pay under Coverage C is the lesser of:

- (1) The increased cost of construction at the new premises; or
 - (2) The \$50,000 increased cost of construction limit of insurance.
- (6) The terms of this endorsement apply separately to each building to which this endorsement applies.

m. Fine Arts

We will pay for loss or damage to paintings, etchings, pictures, tapestries, art glass windows and other bona fide works of art of rarity, historical value, or artistic merit caused by or resulting from a Covered Cause of Loss.

The most we will pay under this extension is \$10,000 for any one occurrence.

The value of Fine Arts will be the market value at the time of physical loss or physical damage.

n. Employee Theft

We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from "theft" committed by an "employee", whether identified or not, acting alone or in collusion with other persons.

The most we will pay under this extension is \$5,000 for any one occurrence.

o. Forgery Or Alteration

- a. We will pay for loss resulting directly from "forgery" or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:

- (1) Made or drawn by or drawn upon you; or
- (2) Made or drawn by one acting as your agent;

or that are purported to have been so made or drawn.

- b. If you are sued for refusing to pay any instrument covered in Paragraph a. above, on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount that we will pay is in addition to the Limit of Insurance applicable to this Insuring Agreement.

The most we will pay under this extension is \$2,000 for any one occurrence.

p. Interruption of Computer Operations

- (1) Under this Coverage Extension, electronic data has the meaning described under Property Not Covered - Electronic Data.
- (2) Subject to all provisions of this Coverage Extension, you may extend the insurance that applies to Business Income and Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a Covered Cause of Loss.
- (3) With respect to the coverage provided under this Coverage Extension, the Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including electronic data) by any "employee", including a temporary or leased "employee", or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.

- (4) The most we will pay under this Coverage Extension – Interruption of Computer Operations is \$10,000 for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.
- (5) This Coverage Extension - Interruption in Computer Operations does not apply to loss sustained or expense incurred after the end of the “period of restoration”, even if the amount of insurance stated in (4) above has not been exhausted.

These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

13. **Section C. Limits of Insurance** is deleted and replaced by the following:

C. Limits of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs attached to buildings is \$10,000 per sign in any one occurrence.

The limits applicable to the Fire Department Service Charge, Pollutant Clean Up and Removal, Business Income, Extra Expense and Civil Authority are in addition to the Limits of Insurance.

Payments under the Preservation of Property Additional Coverage will not increase the applicable Limit of Insurance.

The Limit of Insurance for your Business Personal Property will automatically increase by 25% to provide for seasonal variations. This increase will apply only if the Limit of Insurance shown for your Business Personal Property in the Declarations is at least 100% of your average monthly values during the lesser of:

- a. The 12 months immediately preceding the date the loss or damage occurs; or
- b. The period of time you have been in business as of the date the loss or damage occurs.

14. In **Section D. Deductible** the following paragraph is added:

With respect to the following Additional Coverage or Coverage Extensions provided by this form; Personal Effects and Property of Others, Property in Transit, Data Processing Coverage (Off-Site Coverage only), Off Premises Services - Direct Damage, Fine Arts, Employee Theft and Forgery or Alteration;

The policy deductible or \$1,000 will apply, whichever is less.

15. In **Section E.7. Valuation** the following changes are being made.

Paragraph **a.** is being replaced by the following:

- a. At actual cash value as of the time of the loss or damage, except as provided in **b.** through **j.** below.

Paragraphs **f.** through **j.** are being added as shown below:

- f. With respect to personal property of others, if an item(s) of personal property of others is subject to a written lease which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you were liable under such lease, but not to exceed the lesser of the replacement cost of the property or the applicable limit of insurance.
- g. Business Income Loss will be determined based on:

- (1) The Net Income of the business before the direct physical loss or damage occurred;
- (2) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
- (3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
- (4) Other relevant sources of information, including:
 - (a) Your financial records and accounting procedures;
 - (b) Bills, invoices and other vouchers; and
 - (c) Deeds, liens or contracts.

h. Loss under Extra Expense will be determined based on:

- (1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses;
 - (a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
 - (b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
- (2) Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

i. Resumption Of Operations

We will reduce the amount of your:

- (1) Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
- (2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.
- (3) If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

j. The agreed total amount of Accounts Receivable will be:

- (1) The amount of all outstanding accounts receivable at the end of the same month in the preceding year; multiplied by
- (2) The percentage of change in the average monthly total of accounts receivable for the 12 months preceding the month in which the loss occurs;
- (3) Adjusted by deductions for:
 - (a) Records not lost or damaged;
 - (b) Accounts that the insured is able to collect; and
 - (c) An allowance for probable bad debts which would normally be uncollectible by the insured.

16. In Section H. Definitions the following paragraphs are added:

4. "Employee"

a. "Employee" means:

- (1) Any natural person:
 - (a) While in your service or for 30 days after termination of service;

- (b) Who you compensate directly by salary, wages or commissions; and
 - (c) Who you have the right to direct and control while performing services for you;
- (2) Any natural person who is furnished temporarily to you;
- (a) To substitute for a permanent "employee" as defined in Paragraph (1) above, who is on leave; or
 - (b) To meet seasonal or short-term work load conditions;

while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the "premises".

- (3) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph (2) above;
- (4) Any natural person who is:
- (a) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any "employee benefit plan(s)" insured under this coverage form; and
 - (b) Your director or trustee while that person is handling "funds" or "other property" of any "employee benefit plan(s)" insured under this coverage form;
- (5) Any natural person who is a former "employee", director, partner, "member", "manager", representative or trustee retained as a consultant while performing services for you; or
- (6) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside the "premises".

b. "Employee" does not mean:

- (1) Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
 - (2) Any "manager", director or trustee except while performing acts coming within the scope of the usual duties of an "employee".
5. **"Forgery"** means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.
6. **"Money"** means:
- a. Currency, coins and bank notes in current use and having a face value; and
 - b. Travelers checks, registered checks and money orders held for sale to the public.
7. **"Operations"** means:
- a. Your business activities occurring at the described premises; and
 - b. The tenantability of the described premises, when coverage for "Rental Value" applies.
8. **"Other Property"** means any tangible property other than "money" and "securities" that has intrinsic value but does not include any property excluded under this insurance.
9. **"Period of Restoration"** means the period of time that:
- a. Begins:
 - (1) 72 hours after the time of physical loss or damage for Business Income coverage; or
 - (2) Immediately after the time of direct physical loss or damage for Extra Expense coverage:
- caused by or resulting from any Covered Cause of Loss at the described premises; and

b. Ends on the earlier of:

- (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
- (2) The date when business is resumed at a new permanent location.

"Period of restoration" does not include any increased period required due to the enforcement of any law that:

- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

10. "Rental Value" means Business Income that consists of:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and

b. Containing normal operating expenses incurred in connection with that premises, including:

- (1) Payroll; and
- (2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.

11. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or property and includes:

- a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
- b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include "money".

12. "Suspension" means:

- a. The slowdown or cessation of your business activities; or
- b. That a part of or all the described premises is rendered untenable, when coverage for "Rental Value" applies.

13. "Theft" means the unlawful taking of "money", "securities", or "other property" to the deprivation of the insured.

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION E- DEFINITIONS.

Insurance coverage provided by this Coverage Form is subject to a maximum of \$50,000

A. COVERAGE

1. Business Income

We will pay for the loss of Business Income due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to insured property at premises, which are described in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises is located.

We will pay only for loss of Business Income that occurs within 90 days after the date of direct physical loss or damage.

Business Income means the:

- (a) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- (b) Continuing normal operating expenses incurred, including payroll.

2. Covered Causes of Loss

See applicable Causes of Loss form shown in the Declarations.

3. Extra Expense

We will pay necessary Extra Expense you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property at the described premises and your "mobile equipment" at such other locations at which you are conducting "operations", including immediately before and after your "operations" at those locations, caused by or resulting from any Covered Causes of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises is located.

We will only pay for Extra Expense that occurs within 90 days after the date of direct physical loss or damage.

Extra Expense means the expense incurred:

- a. To avoid or minimize the "suspension" of business and to continue "operations":
 - (1) At the described premises and such other locations where you are, have been, or will be conducting "operations"; or
 - (2) At replacement premises or at temporary locations, including:

- (i) Relocation expenses; and
 - (ii) Costs to equip and operate the replacement or temporary locations.
- b. To minimize the "suspension" of business if you cannot continue "operations".
- c. (1) To repair or replace any property; or
- (2) To research, replace or restore the lost information on damaged valuable papers and records;

to the extent it reduces the amount of loss that otherwise would have been payable under this **Coverage 1. Business Income**.

The coverage for Extra Expense will begin immediately after the time of that action and will end:

- a. 90 days after the time of that action; or
- b. When your Business Income coverage ends.

4. Civil Authority

In this Additional Coverage – Civil Authority, the described premises are premises to which this Coverage Form applies, as shown in the Declarations.

When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and

- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority Coverage for Business Income will begin 72 hours after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

Civil Authority Coverage for Extra Expense will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will end:

- (1) Four consecutive weeks after the date of that action; or
- (2) When your Civil Authority Coverage for Business Income ends;

whichever is later.

5. **Alterations and New Buildings.** We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss to:

- a. New buildings or structures, whether complete or under construction;
- b. Alterations or additions to existing buildings or structures; and
- c. Machinery, equipment, supplies or building materials located on or within 100 feet of the described premises and;
 - (1) Used in the construction, alterations or additions; or
 - (2) Incidental to the occupancy of new buildings.

If such direct physical loss or damage delays the start of "operations", the "period of restoration", for Business Income coverage, will begin on the date "operations" would have begun if the direct physical loss or damage had not occurred.

6. Newly Acquired Locations

- a. You may extend your Business Income and Extra Expense Coverages to apply to property at any location you acquire other than fairs or exhibitions.
- b. The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is \$100,000 at each location.
- c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:
 - (1) This policy expires;
 - (2) 30 days expire after you acquire or begin to construct the property; or
 - (3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

This Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

B. EXCLUSION AND LIMITATION

See applicable Causes of Loss Form as shown in the Declarations.

C. LOSS CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Appraisal

If we and you disagree on the amount of Net Income and operating expenses or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser.

The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expenses or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

2. Duties In The Event of Loss

- a. You must see that the following are done in the event of loss:
 - (1) Notify the police if a law may have been broken.
 - (2) Give us prompt notice of the direct physical loss or damage. Include a description of the property involved.
 - (3) As soon as possible, give us a description of how, when and where the direct physical loss or damage occurred.

- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order of examination.
 - (5) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.
Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
 - (6) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
 - (7) Cooperate with us in the investigation or settlement of the claim.
 - (8) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

3. Limitation – Electronic Media And Records

We will not pay for any loss of Business Income caused by direct physical loss of or damage to Electronic Media and Records after the longer of:

- a. 60 consecutive days from the date of direct physical loss or damage; or
- b. The period, beginning with the date of direct physical loss or damage, necessary to repair, rebuild or replace, with reasonable speed and similar quality, other property at the described premises due to loss or damage caused by the same occurrence.

Electronic Media and Records are:

- (1) Electronic data processing, recording or storage media such as films, tapes, discs, drums or cells;
- (2) Data stored on such media; or
- (3) Programming records used for electronic data processing or electronically controlled equipment.

This limitation does not apply to Extra Expense.

Example No. 1

A covered Cause of Loss damages a computer on June 1. It takes until September 1 to replace the computer and until October 1 to restore the data that was lost when the damage occurred. We will only pay for the Business Income loss sustained during the period June 1 – September 1. Loss during the period September 2 – October 1 is not covered.

Example No. 2

A Covered Cause of Loss results in the loss of data processing programming records on August 1. The records are replaced on October 15. We will only pay for the Business Income loss sustained during the period August 1 – September 29 (60 consecutive days). Loss during the period September 30 – October 15 is not covered.

4. Loss Determination

- a. The amount of Business Income loss will be determined based on:

- (1) The Net Income of the business before the direct physical loss or damage occurred;
- (2) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses.
- (3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
- (4) Other relevant sources of information, including:
 - (a) Your financial records and accounting procedures;
 - (b) Bills, invoices and other vouchers; and
 - (c) Deeds, liens or contracts.

- b. The amount of Extra Expense will be determined based on:

- (1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
 - (a) The salvage value that remains of any property brought for temporary use during the "period of restoration", once "operations" are resumed; and
 - (b) Any Extra Expense that is paid for by other insurance, except for insurance that is written, subject to the same plan, terms, conditions and provisions as this insurance; and
- (2) All necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

c. Resumption Of Operations

We will reduce the amount of your:

- (1) Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
 - (2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.
- d. If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

5. Loss Payment

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:

- a. We have reached agreement with you on the amount of loss; or
- b. An appraisal award has been made.

E. DEFINITIONS

- 1. "Finished Stock" means stock you have manufactured.

"Finished stock" also includes whisky and alcoholic products being aged, unless there is a Coinsurance percentage shown for Business Income in the Declarations.

"Finished stock" does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this Coverage part.

- 2. "Operations" means:

- a. Your business activities occurring at the described premises; and
- b. The tenantability of the described premises, if coverage for Business Income including "Rental Value" or "Rental Value" applies.

- 3. "Period of Restoration" means the period of time that:

- a. Begins:

- (1) 72 hours after the time of direct physical loss or damage for Business Income coverage; or

- (2) Immediately after the time of direct physical loss or damage for Extra Expense coverage;

caused by or resulting from any Covered Cause of Loss occurring within the policy term at the described premises; and

- b. Ends on the earlier of:

- (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or

- (2) The date when business is resumed at a new permanent location.

"Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or

- (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The Covered Cause of Loss must commence within the policy term. The expiration date of this policy will not cut short the "period of restoration".

- 4. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

- 5. "Suspension" means the slowdown or cessation of your business activities.

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION E - DEFINITIONS.

Insurance coverage provided by this Coverage Form is subject to a maximum of \$ 50,000.

A. COVERAGE

1. Business Income

We will pay for the loss of Business Income due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at premises which are described in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises are located. We will pay only for loss of Business Income that occurs within 90 days after the date of direct physical loss or damage.

Business Income means the:

- (a) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- (b) Continuing normal operating expenses incurred, including payroll.

2. Covered Causes of Loss

See applicable Causes of Loss form shown in the Declarations.

3. Extra Expense

We will pay necessary Extra Expense you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property at the described premises, and your "mobile equipment" at such other locations at which you are conducting "operations", including immediately before and after your "operations" at those locations, caused by or resulting from any Covered Causes of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises are located.

We will pay only for Extra Expense that occurs within 90 days after the date of direct physical loss or damage.

Extra Expense means the expense incurred:

- a. To avoid or minimize the "suspension" of business and to continue "operations":
 - (1) At the described premises and such other locations where you are, have been, or will be conducting "operations"; or
 - (2) At replacement premises or at temporary locations, including:
 - (i) Relocation expenses; and
 - (ii) Costs to equip and operate the replacement or temporary locations.
- b. To minimize the "suspension" of business if you cannot continue "operations".
- c. (1) To repair or replace any property; or
 - (2) To research, replace or restore the lost information on damaged valuable papers and records;

to the extent it reduces the amount of loss that otherwise would have been payable under this **Coverage 1. Business Income.**

The coverage for Extra Expense will begin immediately after the time of that action and will end:

- a. 90 days after the time of that action; or
- b. When your Business Income coverage ends.

- 4. **Civil Authority.** We will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises and such other locations at which you are, have been, or will be conducting

"operations" due to direct physical loss of or damage to property, other than at the described premises or at such other said locations, caused by or resulting from a Covered Cause of Loss.

The coverage for Business Income will begin 72 hours after the time of that action and will apply for a period of up to three consecutive weeks after coverage begins.

The coverage for Extra Expense will begin immediately after the time of that action and will end:

- a. 3 consecutive weeks after the time of that action; or
 - b. When your Business Income coverage ends;
- whichever is later.

5. Alterations and New Buildings. We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss to:

- a. New buildings or structures, whether complete or under construction;
- b. Alterations or additions to existing buildings or structures; and
- c. Machinery, equipment, supplies or building materials located on or within 100 feet of the described premises and:
 - (1) Used in the construction, alterations or additions; or
 - (2) Incidental to the occupancy of newbuildings.

If such direct physical loss or damage delays the start of "operations", the "period of restoration" for Business Income Coverage will begin on the date "operations" would have begun if the direct physical loss or damage had not occurred.

6. Newly Acquired Locations

- a. You may extend your Business Income and Extra Expense Coverages to apply to property at any location you acquire other than fairs or exhibitions.
- b. The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is \$50,000 at each location.

- c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:

- (1) This policy expires;
- (2) 30 days expire after you acquire or begin to construct the property; or
- (3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

This Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

B. EXCLUSION AND LIMITATIONS

See applicable Causes of Loss Form as shown in the Declarations.

C. LOSS CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Appraisal

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser.

The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expenses or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

2. Duties In The Event of Loss

- a. You must see that the following are done in the event of loss:
 - (1) Notify the police if a law may have been broken.
 - (2) Give us prompt notice of the direct physical loss or damage. Include a description of the property involved.

(3) As soon as possible, give us a description of how, when and where the direct physical loss or damage occurred.

(4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order of examination.

(5) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

(6) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

(7) Cooperate with us in the investigation or settlement of the claim.

(8) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.

b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

3. Limitation - Electronic Media And Records

We will not pay for any loss of Business Income caused by direct physical loss of or damage to Electronic Media and Records after the longer of:

- a. 60 consecutive days from the date of direct physical loss or damage; or
- b. The period, beginning with the date of direct physical loss or damage, necessary to repair, rebuild or replace, with reasonable speed and similar quality, other property at the described premises due to loss or damage caused by the same occurrence.

Electronic Media and Records are:

- (1) Electronic data processing, recording or storage media such as films, tapes, discs, drums or cells;
- (2) Data stored on such media; or
- (3) Programming records used for electronic data processing or electronically controlled equipment.

This limitation does not apply to Extra Expense.

Example No . 1:

A Covered Cause of Loss damages a computer on June 1. It takes until September 1 to replace the computer, and until October 1 to restore the data that was lost when the damage occurred. We will only pay for the Business Income loss sustained during the period June 1 - September 1. Loss during the period September 2 - October 1 is not covered.

Example No . 2:

A Covered Cause of Loss results in the loss of data processing programming records on August 1. The records are replaced on October 15. We will only pay for the Business Income loss sustained during the period August 1 - September 29 (60 consecutive days). Loss during the period September 30 - October 15 is not covered.

4. Loss Determination

a. The amount of Business Income loss will be determined based on:

- (1) The Net Income of the business before the direct physical loss or damage occurred;
- (2) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses.
- (3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
- (4) Other relevant sources of information, including:
 - (a) Your financial records and accounting procedures;
 - (b) Bills, invoices and other vouchers; and
 - (c) Deeds, liens or contracts.

b. The amount of Extra Expense will be determined based on:

- (1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
 - (a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and

- (b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and

- (2) All necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

c. Resumption Of Operations

We will reduce the amount of your:

- (1) Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.

- (2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

d. If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

5. Loss Payment

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:

- a. We have reached agreement with you on the amount of loss; or
- b. An appraisal award has been made.

E. DEFINITIONS

1. "Finished Stock" means stock you have manufactured.

"Finished stock" also includes whiskey and alcoholic products being aged, unless there is a Coinsurance percentage shown for Business Income in the Declarations.

"Finished stock" does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this Coverage part.

2. "Operations" means:

- a.** Your business activities occurring at the described premises; and
- b.** The tenantability of the described premises, if coverage for Business Income including "Rental Value" or "Rental Value" applies.

3. "Period of Restoration" means the period of time that:

a. Begins:

- (1)** 72 hours after the time of direct physical loss or damage for Business Income coverage; or
- (2)** Immediately after the time of direct physical loss or damage for Extra Expense coverage;

caused by or resulting from any Covered Cause of Loss occurring within the policy term at the described premises; and

b. Ends on the earlier of:

- (1)** The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or

- (2)** The date when business is resumed at a new permanent location.

"Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

- (1)** Regulates the construction, use or repair, or requires the tearing down of any property; or
- (2)** Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The Covered Cause of Loss must commence within the policy term and the expiration date. The expiration date of this policy will not cut short the "period of restoration".

- 4. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.**
- 5. "Suspension" means the slowdown or cessation of your business activities.**

HOMEOWNERS EXTENSION PROPERTY ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

We will provide the insurance coverage described in this **Homeowners Extension Property Endorsement** in return for the premium, and compliance with all applicable provisions of your policy and endorsements.

Coverage provided by the **Homeowners Extension Property Endorsement** applies to the following:

Named Insured: _____

Coverage provided by the **Homeowners Extension Property Endorsement** applies to the following "residence premises", subject to the definition of "residence premises":

Residence Premises: _____

In this form, "you" and "your" refer to the "named insured" shown above and the spouse if a resident of the same household. "We", "us" and "our" refer to the company providing this insurance.

The following language is applicable to the coverages provided by this form only.

A. COVERAGE

1. The following is added to **A.1. Covered Property**:

d. Household Personal Property

- (1) which belongs to an "insured", or a member of your family, or
- (2) which belongs to a "social guest" or "residence employee" while the property is within the "residence premises".

2. Items a. and i. under **A.2. Property Not Covered** do not apply to **A.1.d. Household Personal Property**.

3. The following is added to **A.4. Additional Coverages**:

g. Personal Coverage Extensions

- (1) **Additional Living Expense**

If a loss covered under this endorsement makes that part of the "residence premises" where you reside not fit to live in, we cover any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living.

Payment will be for the shortest time required to repair or replace the damage or, if you permanently relocate, the shortest time required for your household to settle elsewhere.

(2) Fair Rental Value

If a loss covered under this endorsement makes that part of the "residence premises" rented to others or held for rental by you not fit to live in, we cover the fair rental value of such premises less any expenses that do not continue while it is not fit to live in.

Payment will be for the shortest time required to repair or replace such premises.

(3) Civil Authority Prohibits Use

If a civil authority prohibits you from use of the "residence premises" as a result of direct damage to neighboring premises by a Peril Insured Against, we cover the loss as provided in **(1)** Additional Living Expense and **(2)** Fair Rental Value above for no more than two weeks.

The periods of time under **(1)**, **(2)** and **(3)** above are not limited by expiration of this policy.

We do not cover loss or expense due to cancellation of a lease or agreement.

h. Household Personal Property Off Premises

You may apply up to \$5,000 of the Limit of Insurance for Household Personal Property for such property while it is away from the "residence premises" described in the declarations.

i. Credit Card, Electronic Fund Transfer Card or Access Device, Forgery and Counterfeit Money

(1) We will pay up to \$500 for:

- (a)** Your legal obligation to pay because of the theft or unauthorized use of credit cards issued to or registered in your name;
- (b)** Loss resulting from theft or unauthorized use of an electronic fund transfer card or access device used for deposit, withdrawal, or transfer of funds, issued to or registered in an "insured's" name;

(c) Your loss caused by forgery or alteration of any check or negotiable instrument; and

(d) Your loss through acceptance in good faith of counterfeit United States or Canadian paper currency.

All loss resulting from a series of acts committed by any one person or in which any one person is concerned or implicated is considered to be one loss.

This coverage is additional insurance. No deductible applies to this coverage.

(2) We do not cover use of a credit card or electronic fund transfer card or access device:

- (a)** By a resident of your household;
- (b)** By a person who has been entrusted with either type of card or access device; or
- (c)** If an "insured" has not complied with all terms and conditions under which the cards are issued or the devices accessed.
- (d)** We do not cover loss arising out of the "business" used or dishonesty of an "insured".
- (e)** If the coverage in **h.** above applies and is not excluded, the following defense provisions also apply.
 - (i)** We may investigate and settle any claim or suit that we decide is appropriate. Our duty to defend a claim or suit ends when the amount we pay for the loss equals our limit of liability.

- (ii) If a suit is brought against an "insured" for liability under **1.a.** or **b.** above, we will provide a defense at our expense by counsel of our choice.
- (iii) We have the option to defend at our expense an "insured" or an "insured's" bank against any suit for the enforcement of payment under **1.c.** above.

j. Tree Removal

We will pay your reasonable expense, up to \$1,000, for the removal from the "residence premises" of:

- (1) Your tree(s) felled by the peril of Windstorm or Hail or Weight of Ice, Snow or Sleet; or
- (2) A neighbor's tree(s) felled by a Covered Cause of Loss, provided the tree(s);
- (3) Damage(s) the "residence premises"; or
- (4) Does not damage a covered structure, but;
 - (a) Block(s) a driveway on the "residence premises" which prevent(s) a "motor vehicle", that is registered for use on public roads or property, from entering or leaving the "residence premises"; or
 - (b) Block(s) a ramp or other fixture designed to assist a handicapped person to enter or leave the "residence premises".

The \$1,000 limit is the most we will pay in any loss regardless of the number of fallen trees. No more than \$500 of this limit will be paid for the removal of any one tree.

This coverage is additional insurance.

k. Ordinance Or Law

- (1) You may use up to 10% of the limit of insurance that applies to the "residence premises" for the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:
 - (a) The construction, demolition, remodeling, renovation or repair of that part of the "residence premises" by a Covered Cause of Loss;
 - (b) The demolition and reconstruction of the undamaged part of a covered building or other structure, when the "residence premises" must be totally demolished because of damage by a Covered Cause of Loss to another part of the "residence premises" or other structure; or
 - (c) The remodeling, removal or replacement of the portion of the undamaged part of the "residence premises" necessary to complete the remodeling, repair or replacement of that part of the "residence premises" damaged by a Covered Cause of Loss.
- (2) You may use all or part of this ordinance or law coverage to pay for the increased costs you incur to remove debris resulting from the construction, demolition, remodeling, renovation, repair or replacement of property as stated in **a.** above.
- (3) We do not cover:
 - (a) The loss in value to the "residence premises" due to the requirements of any ordinance or law; or

- (b) The costs to comply with any ordinance or law which requires any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants in or on the "residence premises:

Pollutants means any solid, liquid, gaseous or thermal irritant or containment, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

This coverage is additional insurance.

I. Grave Markers

We will pay up to \$5,000 for grave markers, including mausoleums, on or away from the "residence premises" for loss caused by a Covered Cause of Loss.

This coverage does not increase the limits of insurance that apply to the damaged covered property.

C. Limits of Insurance is deleted and replaced by the following:

1. The most we will pay for loss or damage in any one occurrence is the applicable limit of insurance in the declarations.
2. Your limit of insurance which applies to "residence premises" described above, is the limit of insurance for BUILDING shown in the declarations of the building in which the above designated named insured's personal residence is located.
3. Your personal property limit of insurance is combined with and becomes a part of the limit of insurance for your business personal property shown in the declarations for the building in which your personal residence is located.

4. The amounts of insurance stated in the following Additional Coverages apply in accordance with the terms of such coverages and are separate from the Limit(s) of Insurance shown in the Declarations for any other coverage.

- a. Fire Department Service Charge;
- b. Pollutant clean-up And Removal;
- c. Increased Cost of Construction; and
- d. Electronic Data.

Payments under the Preservation Of Property Additional Coverage will not increase the applicable Limit of Insurance.

5. SPECIAL LIMITS OF INSURANCE FOR BUSINESS AND HOUSEHOLD PERSONAL PROPERTY.

These limits do not increase the applicable LIMIT OF INSURANCE shown in the Declarations. The special limit for each category below is the total limit for each loss for all Household Personal Property in that Category.

- a. \$200 on money, bank notes, bullion, gold other than goldware, platinum, other than platinumware, coins, medals, scrip, stored value cards and smart cards.
- b. \$1,500 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets and stamps. This dollar limit applies to these categories regardless of the medium (such as paper or computer software) on which the material exists.

This limit includes the cost to research, replace or restore the information from the lost or damaged material.

- c. \$1,500 on watercraft of all types, including their trailers, furnishings, equipment and outboard engines or motors.

- d. \$1,500 on trailers or semitrailers not used with watercraft of all types.
- e. \$1,500 for loss by theft of jewelry, watches, furs, precious and semiprecious stones.
- f. \$2,500 for loss by theft of firearms and related equipment.
- g. \$2,500 for loss by theft of silverware, silver-plated ware, goldware, gold-plated ware, platinumware, platinum-plated ware and pewterware. This includes flatware, hollowware, tea sets, trays and trophies made of or including silver, gold or pewter.
- h. \$1,500 for loss on electronic apparatus and accessories, while in or upon a "motor vehicle", but only if the apparatus is equipped to be operated by power from the "motor vehicle's" electrical system while still capable of being operated by other power sources.

Accessories include antennas, tapes, wires, records, discs or other media that can be used with any apparatus described in this Category h.

- i. \$1,500 on electric apparatus and accessories used primarily for "business" while away from the "residence premises" and not in or upon a "motor vehicle". The apparatus must be equipped to be operated by power from the "motor vehicle's" electrical system while still capable of being operated by other power sources.

Accessories include antennas, tapes, wires, records, discs or other media that can be used with any apparatus described in this Category i.

E. Loss Conditions

In the **Loss Conditions** section, the following is added to **Item 3.a. Duties In The Event Of loss Or Damage** applicable to this form only:

- (9) Notify the credit card or electronic fund transfer card or access device company in case of loss as provided for in **A.4.h. Credit Card, Electronic Fund Transfer Card or Access Device, Forgery and Counterfeit money** under covered property.

G. Optional Coverages

- 1. Item **3.b.(2)** is deleted,

H. Definitions

- 1. The following definitions are added only for the purposes of coverage provided by this endorsement.

- a. "Business" means:

- (1) A trade, profession or occupation engaged in a full-time, part-time or occasional basis; or
- (2) Any other activity engaged in for money or other compensation, except the following:
 - (a) One or more activities, not described in (b) through (d) below, for which no "insured" receives more than \$2,000 in total compensation for the 12 months before the beginning of the policy period;
 - (b) Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity;
 - (c) Providing home day care services for which no compensation is received, other than the mutual exchange of such services; or
 - (d) The rendering of home day care services to a relative of an "insured".

b. "Insured" means:

(1) You and residents of your household who are:

(a) Your relatives; or

(b) Other persons under the age of 21 and in the care of any person named above;

(2) A student enrolled in school full time, as defined by the school, who was a resident of your household before moving out to attend school, provided the student is under the age of:

(a) 24 and your relative; or

(b) 21 and in your care or the care of a person described in 1.a. above.

When the word an immediately precedes the word "insured", the words an "insured" mean one or more "insureds".

c. "Motor vehicle" means:

(1) A self-propelled land or amphibious vehicle; or

(2) Any trailer or semitrailer which is being carried on, towed by or hitched for towing by a vehicle described in a. above.

d. "Residence Employee" means:

(1) An employee of an "insured", or an employee leased to an "insured" by a labor leasing firm, under an agreement between an "insured" and the labor leasing firm, whose duties are related to the maintenance or use of the "residence premises", including household or domestic services; or

(2) One who performs similar duties elsewhere not related to the "business" of an "insured".

e. "Residence Premises" means:

(1) The one family dwelling where you reside;

(2) That part of any other building where you reside;

and which is shown as the "residence premises" in the declarations of this endorsement.

f. "Social guest" means an individual whose purpose for presence within the "residence premises" is unrelated to your "business".

HOMEOWNERS EXTENSION PROPERTY ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

We will provide the insurance coverage described in this **Homeowners Extension Property Endorsement** in return for the premium, and compliance with all applicable provisions of your policy and endorsements.

Coverage provided by the **Homeowners Extension Endorsement** applies to the following:

Named Insured: _____

Coverage provided by the **Homeowners Extension Property Endorsement** applies to the following "residence premises", subject to the definition of "residence premises":

Residence Premises: _____

In this form, "you" and "your" refer to the "named insured" shown above and the spouse if a resident of the same household. "We", "us" and "our" refer to the company providing this insurance.

The following language is applicable to the coverages provided by this form only.

A. COVERAGE

1. The following is added to **A.1. Covered Property:**

d. Household Personal Property

- (1) which belongs to an "insured," or a member of your family, or
- (2) which belongs to a "social guest" or "residence employee" while the property is within the "residence premises."

2. Items **a.** and **i.** under **A.2. Property Not Covered** do not apply to **A.1.d. Household Personal Property.**

3. The following is added to **A.4. Additional Coverages:**

f. Personal Coverage Extensions

(1) Additional Living Expense

If a loss covered under this endorsement makes that part of the "residence premises" where you reside not fit to live in, we cover any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living.

Payment will be for the shortest time required to repair or replace the damage or, if you permanently relocate, the shortest time required for your household to settle elsewhere.

(2) Fair Rental Value

If a loss covered under this endorsement makes that part of the "residence premises" rented to others or held for rental by you not fit to live in, we cover the fair rental value of such premises less any expenses that do not continue while it is not fit to live in.

Payment will be for the shortest time required to repair or replace such premises.

(3) Civil Authority Prohibits Use

If a civil authority prohibits you from use of the "residence premises" as a result of direct damage to neighboring premises by a Peril Insured Against, we cover the loss as provided in **(1) Additional Living Expense** and **(2) Fair Rental Value** above for no more than two weeks.

The periods of time under (1), (2) and (3) above are not limited by expiration of this policy.

We do not cover loss or expense due to cancellation of a lease or agreement.

g. Household Personal Property Off Premises .

You may apply up to \$5,000 of the Limit of Insurance for Household Personal Property for such property while it is away from the "residence premises" described in the declarations.

h. Credit Card, Electronic Fund Transfer Card or Access Device, Forgery and Counterfeit Money

(1) We will pay up to \$500 for:

- (a) Your legal obligation to pay because of the theft or unauthorized use of credit cards issued to or registered in your name;
- (b) Loss resulting from theft or unauthorized use of an electronic fund transfer card or access device used for deposit, withdrawal, or transfer of funds, issued to or registered in an "insured's" name;
- (c) Your loss caused by forgery or alteration of any check or negotiable instrument; and
- (d) Your loss through acceptance in good faith of counterfeit United States or Canadian paper currency.

All loss resulting from a series of acts committed by any one person or in which any one person is concerned or implicated is considered to be one loss.

This coverage is additional insurance. No deductible applies to this coverage.

(2) We do not cover use of a credit card or electronic fund transfer card or access device:

- (a) By a resident of your household;

(b) By a person who has been entrusted with either type of card or access device; or

(c) If an "insured" has not complied with all terms and conditions under which the cards are issued or the devices accessed.

(d) We do not cover loss arising out of the "business" use or dishonesty of an "insured."

(e) If the coverage in h. above applies and is not excluded, the following defense provisions also apply:

- (i) We may investigate and settle any claim or suit that we decide is appropriate. Our duty to defend a claim or suit ends when the amount we pay for the loss equals our limit of liability.
- (ii) If a suit is brought against an "insured" for liability under 1.a. or b. above, we will provide a defense at our expense by counsel of our choice.
- (iii) We have the option to defend at our expense an "insured" or an "insured's" bank against any suit for the enforcement of payment under 1.c. above.

i. Tree Removal

We will pay your reasonable expense, up to \$1,000, for the removal from the "residence premises" of:

- (1) Your tree(s) felled by the peril of Windstorm or Hail or Weight of Ice, Snow or Sleet; or
- (2) A neighbor's tree(s) felled by a Covered Cause of Loss,

provided the tree(s);

(3) Damage(s) the "residence premises"; or

(4) Does not damage a covered structure, but;

- (a) Block(s) a driveway on the "residence premises" which prevent(s) a "motor vehicle", that is registered for use on public roads or property, from entering or leaving the "residence premises"; or
- (b) Block(s) a ramp or other fixture designed to assist a handicapped person to enter or leave the "residence premises."

The \$1,000 limit is the most we will pay in any loss regardless of the number of fallen trees. No more than \$500 of this limit will be paid for the removal of any one tree.

This coverage is additional insurance.

j. Ordinance Or Law

- (1) You may use up to 10% of the limit of insurance that applies to the residence premises for the increased costs you incur due to the enforcement of any ordinance or law which requires or regulates:
 - (a) The construction, demolition, remodeling, renovation or repair of that part of the "residence premises" by a Covered Cause of Loss;
 - (b) The demolition and reconstruction of the undamaged part of a covered building or other structure, when the "residence premises" must be totally demolished because of damage by a Covered Cause of Loss to another part of the "residence premises" or other structure; or
 - (c) The remodeling, removal or replacement of the portion of the undamaged part of the "residence premises" necessary to complete the remodeling, repair or replacement of that part of the "residence premises" damaged by a Covered Cause of Loss.

- (2) You may use all or part of this ordinance or law coverage to pay for the increased costs you incur to remove debris resulting from the construction, demolition, remodeling, renovation, repair or replacement of property as stated in a. above.

- (3) We do not cover:

- (a) The loss in value to the "residence premises" due to the requirements of any ordinance or law; or
- (b) The costs to comply with any ordinance or law which requires any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants in or on the "residence premises".

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

This coverage is additional insurance.

k. Grave Markers

We will pay up to \$5,000 for grave markers, including mausoleums, on or away from the "residence premises" for loss caused by a Covered Cause of Loss.

This coverage does not increase the limits of insurance that apply to the damaged covered property.

C. Limits of Insurance is deleted and replaced by the following:

- 1. The most we will pay for loss or damage in any one occurrence is the applicable limit of insurance in the declarations.

2. Your limit of insurance which applies to "residence premises" described above, is the limit of insurance for BUILDING shown in the declarations for the building in which the above designated named insured's personal residence is located.
3. Your personal property limit of insurance is combined with and becomes a part of the limit of insurance for your business personal property shown in the declarations for the building in which your personal residence is located.
4. The limits applicable to the Coverage Extensions Fire Department Service Charge and Pollutant Clean Up and Removal Additional Coverages are in addition to the Limits of Insurance. Payments under the Preservation of Property Additional Coverage will not increase the applicable Limit of Insurance.
5. SPECIAL LIMITS OF INSURANCE FOR BUSINESS AND HOUSEHOLD PERSONAL PROPERTY.

These limits do not increase the applicable LIMIT OF INSURANCE shown in the Declarations. The special limit for each category below is the total limit for each loss for all Household Personal Property in that Category.

- (a) \$200 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum, other than platinumware, coins, medals, scrip, stored value cards and smart cards.
- (b) \$1,500 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets and stamps. This dollar limit applies to these categories regardless of the medium (such as paper or computer software) on which the material exists.

This limit includes the cost to research, replace or restore the information from the lost or damaged material.

- (c) \$1,500 on watercraft of all types, including their trailers, furnishings, equipment and outboard engines or motors.
- (d) \$1,500 on trailers or semitrailers not used with watercraft of all types.
- (e) \$1,500 for loss by theft of jewelry, watches, furs, precious and semiprecious stones.
- (f) \$2,500 for loss by theft of firearms and related equipment.
- (g) \$2,500 for loss by theft of silverware, silver-plated ware, goldware, gold-plated ware, platinumware, platinum-plated ware and pewterware. This includes, flatware, hollowware, tea sets, trays and trophies made of or including silver, gold or pewter.
- (h) \$1,500 for loss on electronic apparatus and accessories, while in or upon a "motor vehicle", but only if the apparatus is equipped to be operated by power from the "motor vehicle's" electrical system while still capable of being operated by other power sources.

Accessories include antennas, tapes, wires, records, discs or other media that can be used with any apparatus described in this Category (h).

- (i) \$1,500 on electronic apparatus and accessories used primarily for "business" while away from the "residence premises" and not in or upon a "motor vehicle". The apparatus must be equipped to be operated by power from the "motor vehicle's" electrical system while still capable of being operated by other power sources.

Accessories include antennas, tapes, wires, records, discs or other media that can be used with any apparatus described in this Category (i).

E. Loss Conditions

In the **Loss Conditions** section, the following is added to **Item 3. Duties In The Event Of Loss Or Damage** applicable to this form only:

- (9) Notify the credit card or electronic fund transfer card or access device company in case of loss as provided for in **A.4.h. Credit Card, Electronic Fund Transfer Card or Access Device, Forgery and Counterfeit money** under covered property.

G. Optional Coverages

- 1. Item **3.b.(2)** is deleted.

H. Definitions

- 1. The following definitions are added only for the purposes of coverage provided by this endorsement.

a. "Business" means:

- (1) A trade, profession or occupation engaged in a full-time, part-time or occasional basis; or
- (2) Any other activity engaged in for money or other compensation, except the following:
 - (a) One or more activities, not described in (b) through (d) below, for which no "insured" receives more than \$2,000 in total compensation for the 12 months before the beginning of the policy period;
 - (b) Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity;
 - (c) Providing home day care services for which no compensation is received, other than the mutual exchange of such services; or

- (d) The rendering of home day care services to a relative of an "insured".

b. "Insured" means:

- (1) You and residents of your household who are:
 - (a) Your relatives; or
 - (b) Other persons under the age of 21 and in the care of any person named above;
- (2) A student enrolled in school full time, as defined by the school, who was a resident of your household before moving out to attend school, provided the student is under the age of:
 - (a) 24 and your relative; or
 - (b) 21 and in your care or the care of a person described in 1.a. above.

When the word an immediately precedes the word "insured", the words an "insured" mean one or more "insureds".

c. "Motor vehicle" means:

- (1) A self-propelled land or amphibious vehicle; or
- (2) Any trailer or semitrailer which is being carried on, towed by or hitched for towing by a vehicle described in a. above.

d. "Residence Employee" means:

- (1) An employee of an "insured", or an employee leased to an "insured" by a labor leasing firm, under an agreement between an "insured" and the labor leasing firm, whose duties are related to the maintenance or use of the "residence premises", including household or domestic services; or

- (2) One who performs similar duties elsewhere not related to the "business" of an "insured"..

e. "Residence Premises" means:

- (1) The one family dwelling where you reside;
- (2) That part of any other building where you reside;

and which is shown as the "residence premises" in the declarations of this endorsement.

f. "Social guest" means an individual whose purpose for presence within the "residence premises" is unrelated to your "business".

RESTAURANT PROPERTY PLUS ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
 CAUSES OF LOSS – BASIC FORM
 CAUSES OF LOSS – BROAD FORM
 CAUSES OF LOSS – SPECIAL FORM

References herein to changes in policy language, unless otherwise specified, shall apply only to the BUILDING AND PERSONAL PROPERTY COVERAGE FORM.

1. In **Section A.4. Additional Coverages - c. Fire Department Service Charge** \$1,000 is deleted and replaced by \$10,000.
 2. In **Section A.4. Additional Coverages - d. Pollutant Clean Up and Removal** is increased from \$10,000 to \$25,000.
 3. In **Section A.4.e.** is deleted, as broader coverage is included in **Section 9.n.** of this endorsement.
 4. **Section A.4.f.(4) Electronic Data** the amount of \$2,500 is deleted and replaced by \$25,000.
 5. In **Section A.4. Additional Coverages** the following paragraphs are added:
 - g. Business Income**
 - (1) The term Business Income includes "Rental Value".
 - (2) We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to insured property at the premises, which are described in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises is located.
- (3) We will pay only for loss of Business Income that occurs within 12 consecutive months after the date of direct physical loss or damage.
 - (4) Business Income means the:
 - (a) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
 - (b) Continuing normal operating expenses incurred, including payroll.
 - (5) Business Income Loss will be determined based on:
 - (a) The Net Income of the business before the direct physical loss or damage occurred;
 - (b) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
 - (c) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and

(d) Other relevant sources of information, including:

(i) Your financial records and accounting procedures;

(ii) Bills, invoices and other vouchers; and

(iii) Deeds, liens or contracts.

(6) We will reduce the amount of your:

(a) Business Income loss to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.

(b) If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

(7) Coverage for Business Income does not apply when a "suspension" of "operations" is caused by destruction or corruption of "electronic data", or any loss or damage to "electronic data", except as provided under the Coverage Extension - Interruption Of Computer Operations.

h. Extended Business Income

(1) Business Income Other than "Rental Value":

If the necessary "suspension" of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:

(a) Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and

(b) Ends on the earlier of:

(i) The date you could restore your "operations", with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or

(ii) 30 consecutive days after the date determined in (1)(a) above.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

i. Food Contamination Business Interruption

(1) We will pay up to \$50,000 for your actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused directly by "Food Contamination" as a result of a declaration by the Board of Health or other governmental body at the described premises.

(2) The amount of Business Income loss, under this additional coverage, will be determined based on:

(a) The Net Income of the business before the declaration occurred;

(b) The likely Net Income of the business if no loss occurred;

(c) The operating expenses, including payroll expenses necessary to resume "operations" with the same quality of service that existed just before the declaration occurred; and

- (d) Extra advertising cost to restore the reputation of your business.
- (3) We will pay up to \$10,000 for:
 - (a) Your cost to clean your equipment according to local Board of Health requirements;
 - (b) Your costs to replace consumable goods declared contaminated by the local Board of Health;
 - (c) Necessary medical tests and vaccines for affected employees as required by the Board of Health or other government body. This coverage is primary to any other insurance coverage; and
 - (d) Reimbursement of infected patrons for medical care, hospitalization and necessary blood testing.
- (4) For this additional coverage only, **Section B.1. Exclusions** of the CAUSES OF LOSS FORM applicable to this Coverage Part is amended to include:
 - i. Fines or penalties of any kind.
- (5) For this additional coverage only, Paragraph 3. Duties In The Event Of Loss Or Damage of Section **E. Loss Conditions** is deleted and replaced by:
 - 3. Duties In The Event Of Loss Or Damage**
 - a. You must see that the following are done in the event of loss:
 - (1) Give us prompt notice of the declarations and the described premises that may be involved in the loss.
 - (2) Notify any public authority that may have jurisdiction over the incident.
- (3) As soon as possible, give us a description of how, when and where the "Food Contamination" was first discovered.
- (4) Resume all of your "operations" as quickly as possible, we will pay based on the time it would have taken to resume "operations" as quickly as possible.
- (5) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request.
- (6) Cooperate with us in the investigation or settlement of the claim.
- (7) Do, or have done on your behalf, all things reasonably practical to avoid or diminish the loss.

j. Extra Expense

- (1) We will pay necessary Extra Expense you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to insured property at the premises which are described in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises is located.
- (2) We will only pay for Extra Expense that occurs within 12 consecutive months after the date of direct physical loss or damage.
- (3) Coverage pertains to expenses (other than the expense to repair or replace property) which are incurred to:

- (a) Avoid or minimize the “suspension” of business and to continue “operations” at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.
 - (b) Minimize the “suspension” of business if you cannot continue “operations”.
- (4) We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Additional Coverage or Additional Coverage g. Business Income.
- (5) Loss under Extra Expense will be determined based on:
- (a) All expenses that exceed the normal operating expenses that would have been incurred by “operations” during the “period of restoration” if no direct physical loss or damage had occurred. We will deduct from the total of such expenses.
 - (i) The salvage value that remains of any property bought for temporary use during the “period of restoration”, once “operations” are resumed; and
 - (ii) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
 - (b) Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.
- (6) We will reduce the amount of your:
- (a) Extra Expense loss to the extent you can return “operations” to normal and discontinue such Extra Expense.

- (b) If you do not resume “operations”, or do not resume “operations” as quickly as possible, we will pay based on the length of time it would have taken to resume “operations” as quickly as possible.

- (7) Coverage for Extra Expense does not apply when a “suspension” of “operations” is caused by destruction or corruption of “electronic data”, or any loss or damage to “electronic data”, except as provided under the Coverage Extension - Interruption Of Computer Operations.

k. Civil Authority

In this Additional Coverage – Civil Authority, the described premises are premises to which this Coverage Form applies, as shown in the Declarations.

When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and
- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to be damaged property.

Civil Authority Coverage for Business Income will begin 72 hours after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

Civil Authority Coverage for Extra Expense will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will end:

- (1) Four consecutive weeks after the date of that action; or
- (2) When your Civil Authority Coverage for Business Income coverage ends;

whichever is later.

I. Catering Penalty Expense Reimbursement

We will reimburse you up to \$1,000 for penalties you incur due to your failure to deliver products as required under catering contracts with your customers. The penalties must result from direct physical loss or damage by a Covered Cause of Loss to Covered Property.

The most we will pay under this additional coverage is \$10,000 in any one policy year.

No deductible applies to this additional coverage.

m. Spoilage Coverage

- (1) For this additional coverage only, **Section A.1. Covered Property** is deleted and replaced by:

1. Covered Property

Covered Property means "perishable stock" at the described premises owned by you or by others that is in your care, custody or control.

- (2) For this additional coverage only, **Section A.2. Property Not Covered** is amended to include:

r. Property located:

- (1) On buildings;
- (2) In the open; or
- (3) In vehicles.

- (3) For this additional coverage only, **Section A.3. Covered Causes Of Loss** is deleted and replaced by:

3. Covered Causes of Loss

- a. Breakdown or Contamination, meaning:

- (1) Change in temperature or humidity resulting from mechanical breakdown or failure of refrigerating, cooling or humidity control apparatus or equipment, only while such equipment or apparatus is at the described premises; and

- (2) Contamination by the refrigerant.

- b. Power Outage, meaning change in temperature or humidity resulting from complete or partial interruption of electrical power, either on or off the described premises, due to conditions beyond your control.

- (4) For this additional coverage only, **Section B. Exclusions and Limitations** is deleted and replaced by the following language.

B. Exclusions And Limitations

- (a) Only the following EXCLUSIONS contained in Paragraph **B.1.** of the CAUSES OF LOSS FORM applicable to this Coverage Part apply to Spoilage Coverage:

- (i) **Earth Movement**;
- (ii) **Governmental Action**;
- (iii) **Nuclear Hazard**;
- (iv) **War and Military Action**; and
- (v) **Water**.

(iv) The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand.

(v) Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit.

(5) For this additional coverage only, **Section G. Optional Coverages** is deleted.

The most we will pay under this additional coverage is \$10,000 at each described premises.

n. Security Breach and Identity Services

We will now provide Security Breach services to you as well as Identity services to you, your employees and household family members.* These services are administered by Identity Theft 911®.

Security Breach Services – Confidential information entrusted to you, including SSNs and credit card data can sometimes be compromised. If such a security breach occurred, you might be required by law to notify the affected individuals. Identity Theft 911's Security Breach services will prepare you for the event of a potential breach and guide you through the process of notifying the affected individuals should a breach occur.

Identity Services – Identity services from Identity Theft 911 give you unlimited, one-on-one access to a highly experienced fraud specialist who will act as a personal advocate in a wide range of identity-compromising situations. Whether you have a serious identity theft crisis or need to take preventative measures regarding a lost or stolen wallet, you don't have to struggle on your own.

In the event of a security breach, contact Identity Theft 911 at **1-800-493-0943** and provide the following program number: **UFG100**. In case of an identity theft or identity-related concern, you, your employees and household family members should call Identity Theft 911 at **1-800-405-6108** and provide the following program number: **UFG100**. Highly trained fraud specialists are on call to provide unlimited personal assistance 24 hours a day, seven days a week.

More information about these services is available on our policyholder website at www.ufgPolicy.com, including a flyer that can be printed, e-mailed or posted on your company's bulletin board or intranet to inform employees of the free identity services available to them. We also recommend that you visit Identity Theft 911's website at www.myidentityservices.com to access the latest identity theft tips, media alerts, in-depth newsletters and more. Use the following login codes: Username: **cra2693**, Password: **rw3x26**.

*Identity services are available to a spouse and/or relative under age 23 who lives in the household.

6. In **Section A.5.a.(1) Newly Acquired or Constructed Property** the amount of \$250,000 is deleted and replaced by \$500,000.

In **Section A.5.a.(3)(b) Newly Acquired or Constructed Property** the 30 days is deleted and replaced by 60 days.

7. In **Section A.5.b. Personal Effects and Property of Others** the amount of \$2,500 is deleted and replaced by \$10,000.

8. In **Section A.5.c.(4) Valuable Papers and Records (Other Than Electronic Data)** the amount of \$2,500 is deleted and replaced by \$25,000.

9. In **Section A.5.e. Outdoor Property** the following changes are being made:

The additional perils listed below are being added but only with respect to outdoor fences:

- (6) Windstorm;
- (7) Hail;
- (8) Vandalism;
- (9) Malicious Mischief;
- (10) Struck by Automobile.

The amount of \$1,000 is deleted and replaced by the amount of \$5,000. However, the limit of \$250 for any one tree, shrub or plant will remain the same.

10. In **Section A.5. Coverage Extensions** the following paragraphs are added:

g. Property in Transit

You may extend the insurance provided by this coverage part to apply to your Business Personal Property in Transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.

Loss or damage must be caused by or result from one of the following causes of loss:

- (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
- (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the road bed.
- (3) "Theft" of an entire bale, case, or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.

The most we will pay for loss or damage under this extension is \$20,000.

h. Accounts Receivable

- (1) You may extend the insurance that applies to your business personal property to apply to:
 - (a) Your customers accounts which you are unable to collect because of direct loss or damage to your records of accounts receivable;
 - (b) Interest charges on any loan taken out by you to offset accounts that are uncollectible because of loss or damage to accounts;
 - (c) Collection expenses in excess of normal collection costs made necessary because of loss or damage to accounts;
 - (d) Other reasonable expenses incurred to reestablish records of accounts receivable following loss or damage.
- (2) For valuation purposes, the agreed total amount of Accounts Receivable will be:
 - (a) The amount of all outstanding accounts receivable at the end of the same month in the preceding year; multiplied by
 - (b) The percentage of change in the average monthly total of accounts receivable for the 12 months preceding the month in which the loss occurs;
 - (c) Adjusted by deductions for:
 - (i) Records not lost or damaged;
 - (ii) Accounts that the insured is able to collect; and
 - (iii) An allowance for probable bad debts which would normally be uncollectible by the insured.
- (3) The most we will pay under this extension is \$25,000 at each described premises.

i. Automatic Cooking Protection System and Fire Extinguisher Recharge

You may extend the insurance provided by this coverage form to cover expenses you incur to recharge portable fire extinguishers, dry chemical, carbon dioxide or liquid automatic fire extinguishing systems and the cost of resetting automatic fuel shut-off connections, if any of the above are discharged to fight a fire or are discharged due to a mechanical malfunction.

The most we will pay for loss or damage under this extension is \$10,000 in any one occurrence.

No deductible applies to this coverage extension.

j. Data Processing Coverage

(1) Coverage. You may extend the insurance provided by this coverage part to pay up to \$25,000 for loss or damage to "Data Processing Equipment", including component parts of that equipment, "Data", "Media" (including unused media), or "Computer Programs" which are:

- (a)** Owned by you;
- (b)** Leased or rented to you; or
- (c)** Under your control;

at a location described in the declaration.

(2) Property not covered. Covered property does not include:

- (a)** Property you lease or rent to others while it is away from your premises;
- (b)** Any "data" or "media" which cannot be replaced with others of like kind or quality;
- (c)** Accounts, bills, evidence of debt, valuable papers, records, abstracts, deeds, manuscripts or other documents, except as they may be converted to data processing media form, and then only in that form.

(3) Exclusions. In addition to the exclusions contained in the causes of loss form attached to this policy, we will not pay for loss or damage under this extension caused directly or indirectly by any of the following:

- (a)** Error in machine programming or instructions to machine. But this exclusion does not apply to loss caused by acts of computer hackers, computer viruses, Trojan horses, worms, logic bombs, or other malicious software;
- (b)** Actual work upon, installation or testing of property. But we will pay for direct loss caused by resulting fire or explosion;

(4) Additional Definitions. The following definitions are added:

- (a)** "Data processing equipment" means a network of machine components capable of accepting information, processing it according to plan, and producing desired results. It includes air conditioning, fire protection equipment, and electrical equipment used exclusively in your computer operations.
- (b)** "Data" means facts, concepts, or instructions, including computer programs, which are converted to a form usable in your data processing operations.
- (c)** "Media" means material on which data is recorded.
- (d)** "Computer Programs" means data used to direct computer equipment including diagrams or other records, which can be used to reproduce the programs.

(5) Off-Site Coverage. We will pay up to \$10,000 for loss or damage to laptops, palmtops, notebook PC's, other portable computer devices and accessories including, but not limited to, multimedia projectors while:

- (a) at your residence or the residence of your officers, partners, or "employees";
- (b) temporarily at a premises that is not described on the declaration for more than 60 days; or
- (c) in transit.

k. Lock Replacement

You may extend the insurance provided by this coverage form to cover necessary expenses to repair or replace exterior or interior door locks of a covered building:

- (1) If your door keys are stolen in a covered "theft" loss; or
- (2) When your locks are damaged by the burglars.

The most we will pay under this extension is \$500 for any one occurrence.

No deductible applies to this coverage extension.

l. Money and Securities

This coverage applies in addition to other coverages provided by this policy. This coverage is subject to the terms and conditions applicable to property covered in this policy, except as provided below.

- (1) Coverage. We will pay up to \$10,000 in any one occurrence for loss of "money" and "securities" used in your business while at a bank or savings institution, within your living quarters or the living quarters of your partners or any "employee" having use and custody of the property.

At the locations shown in the declarations, or in transit between any of these places, resulting directly from:

- (a) "Theft";
- (b) Disappearance; or
- (c) Destruction.

- (2) Limitations and Exclusions. In addition to the limitations and exclusions applicable to property coverage, we will not pay for loss:

- (a) Resulting from accounting or arithmetical errors or omissions.
- (b) Due to the giving or surrendering of property in any exchange or purchase; or
- (c) Of property contained in any money-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.

- (3) Occurrence. All loss caused by one or more persons or involving a single act or series of related acts is considered one occurrence.

- (4) Conditions. You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.

- (5) In the event of loss or damage covered by this endorsement, we will determine the value of:

- (a) "Money" at its face value; and
- (b) "Securities" at their value at the close of business on the day the loss is discovered.

m. Off Premises Services - Direct Damage - Limit - \$10,000

We will pay up to \$10,000 for loss of or damage to Covered Property, caused by the interruption of service to the described premises. The interruption must result from direct physical loss or damage by a covered cause of loss to power supply services.

Power Supply Services means the following types of property supplying electricity, steam or gas to the described premises:

- (1) Utility generating plants;
- (2) Switching stations;
- (3) Substations;
- (4) Transformers; and
- (5) Transmission lines.

It does not include overhead transmission lines.

n. Ordinance or Law Coverage

Increased Cost of Construction Limit - \$50,000
Demolition Limit - \$50,000

(1) Coverage

(a) Coverage A - Coverage For Loss to the Undamaged Portion of the Building

If a covered cause of loss occurs to covered building property shown in the **Property Policy Coverage Part 1**, we will pay for loss to the undamaged portion of the building caused by enforcement of any ordinance or law that:

- (i) Requires the demolition of parts of the same property not damaged by a covered cause of loss;
- (ii) Regulates the construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
- (iii) Is in force at the time of loss.

Coverage A is included within the limit of insurance applicable to the covered building property shown in the declarations. This is not additional insurance.

(b) Coverage B - Demolition Cost Coverage

If a covered cause of loss occurs to covered building property, we will pay the cost to demolish and clear the site of undamaged parts of the property caused by enforcement of building, zoning or land use ordinance or law.

The coinsurance additional condition does not apply to demolition cost coverage.

(c) Coverage C - Increased Cost of Construction Coverage

If a covered cause of loss occurs to covered building property, we will pay for the increased cost to repair, rebuild or construct the property caused by enforcement of building, zoning or land use ordinance or law. If the property is repaired or rebuilt, it must be intended for similar occupancy as the current property, unless otherwise required by zoning or land use ordinance or law.

However, we will not pay for the increased cost of construction if the building is not repaired or replaced.

The coinsurance additional condition does not apply to increased cost of construction.

- (2) We will not pay under this endorsement for the costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

(3) Under Coverage A - Coverage for Loss to the Undamaged Portion of the Building:

(a) If the Replacement Cost Coverage Option applies and the property is repaired or replaced, on the same or another premises, we will not pay more for loss or damage to covered property, including loss caused by enforcement of an ordinance or law, than the lesser of:

(i) The amount you actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises, and to the same height, floor area, style and comparable quality of the original property insured; or

(ii) The limit of insurance applicable to the covered building property.

(b) (i) If the replacement cost coverage option applies and the property is **not** repaired or replaced; or

(ii) If the replacement cost coverage does not apply:

We will not pay more for loss or damage to covered property, including loss caused by enforcement of an ordinance or law, than the lesser of:

1) The actual cash value of the building at the time of the loss; or

2) The limit of insurance applicable to the covered building property.

(4) We will not pay more under **Coverage B - Demolition Cost Coverage** than the lesser of the following:

(a) The amount you actually spend to demolish and clear the site of the described premises; or

(b) The applicable demolition cost limit of insurance of \$50,000 as shown under **n. Ordinance or Law Coverage**.

(5) (a) We will not pay under **Coverage C - Increased Cost of Construction Coverage**:

(i) Until the property is actually repaired or replaced, at the same or another premises; and

(ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

(b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage C is the lesser of:

(i) The increased cost of construction at the same premises; or

(ii) The \$50,000 increased cost of construction limit of insurance.

(c) If the ordinance or law requires relocation to another premises, the most we will pay under Coverage C is the lesser of:

(i) The increased cost of construction at the new premises; or

(ii) The \$50,000 increased cost of construction limit of insurance.

(6) The terms of this endorsement apply separately to each building to which this endorsement applies.

o. Interruption of Computer Operations

- (1) Subject to all provisions of this Coverage Extension, you may extend the insurance that applies to Business Income and Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations during the "period of restoration" due to destruction or corruption of "electronic" data due to a Covered Cause of Loss.
- (2) With respect to the coverage provided under this Coverage Extension, the Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including electronic data) by any "employee", including a temporary or leased "employee", or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.
- (3) The most we will pay under this Coverage Extension - Interruption of Computer Operations is \$10,000 for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.

- (4) This Coverage Extension - Interruption in Computer Operations does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in (3) above has not been exhausted.

These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

p. Newly Acquired or Constructed Property - Business Income and Extra Expense

- (1) You may extend your Business Income and Extra Expense Additional Coverages to apply to property at any location you acquire other than at fairs, trade shows, or exhibitions.
- (2) With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:
 - (a) This policy expires.
 - (b) 60 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property.
 - (c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

q. Fairs, Trade Shows or Exhibitions

We will pay for loss or damage to Your Business Personal Property while temporarily on display to the public at fairs or exhibitions on premises not owned, operated or leased by the Named Insured. This extension does not apply to your salespersons samples or fine arts.

The most we will pay under this extension is \$20,000 for any one occurrence.

r. Fine Arts

We will pay for loss or damage to paintings, etchings, pictures, tapestries, art glass windows and other bona fide works of art of rarity, historical value, or artistic merit caused by or resulting from a Covered Cause of Loss.

The most we will pay under this extension is \$10,000 for any one occurrence.

The value of Fine Arts will be the market value at the time of physical loss or physical damage.

s. Employee Theft

We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from "theft" committed by an "employee", whether identified or not, acting alone or in collusion with other persons.

The most we will pay under this extension is \$5,000 for any one occurrence.

t. Forgery Or Alteration

a. We will pay for loss resulting directly from "forgery" or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:

(1) Made or drawn by or drawn upon you; or

(2) Made or drawn by one acting as your agent;

or that are purported to have been so made or drawn.

b. If you are sued for refusing to pay any instrument covered in Paragraph **a.** above, on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount that we will pay is in addition to the Limit of Insurance applicable to this Insuring Agreement.

The most we will pay under this extension is \$2,000 for any one occurrence.

11. Section C. Limits of Insurance is deleted and replaced by:

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs (other than signs attached to buildings) is \$5,000 per sign in any one occurrence. The most we will pay for loss or damage to outdoor signs attached to buildings is \$10,000 per sign in any one occurrence.

The amounts of insurance or time period stated in the following Additional Coverages apply in accordance with the terms of such coverages and are separate from the Limit(s) of Insurance shown in the Declarations for any other coverage:

- (1) Fire Department Service Charge;
- (2) Pollutant clean-up And Removal;
- (3) Coverage B – Demolition Cost Coverage found under **n.** Ordinance or Law Coverage;
- (4) Coverage C – Increased Cost of Construction found under **n.** Ordinance or Law Coverage;
- (5) Electronic Data;
- (6) Business Income;

- (7) Extended Business Income;
- (8) Extra Expense;
- (9) Civil Authority;
- (10) Food Contamination Business Interruption;
- (11) Catering Penalty Expense Reimbursement; and
- (12) Spoilage Coverage

Payments under the Preservation of Property Additional Coverage will not increase the applicable Limit of Insurance.

The Limit of Insurance for your Business Personal Property will automatically increase by 25% to provide for seasonal variations. This increase will apply only if the Limit of Insurance shown for your Business Personal Property in the Declarations is at least 100% of your average monthly values during the lesser of:

- a. The 12 months immediately preceding the date the loss or damage occurs; or
- b. The period of time you have been in business as of the date the loss or damage occurs.

12. In Section D. Deductible the following paragraphs are added:

With respect to the following Additional Coverage or Coverage Extension provided by this form: Personal Effects and Property of Others, Spoilage Coverage, Property in Transit, Data Processing Coverage (Off-Site Coverage only), Money and Securities, Off Premises Services – Direct Damage, Fine Arts, Employee Theft and Forgery or Alteration.

The policy deductible or \$1,000 will apply, whichever is less.

13. In Section H. Definitions the following paragraphs are added:

- 4. **“Communicable Disease”** is defined as a bacterial microorganism transmitted through human contact to food.

- 5. **“Electronic data”** means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

6. “Employee” :

- a. **“Employee”** means:

(1) Any natural person:

- (a) While in your service or for 30 days after termination of service;
- (b) Who you compensate directly by salary, wages or commissions; and
- (c) Who you have the right to direct and control while performing services for you;

(2) Any natural person who is furnished temporarily to you;

- (a) To substitute for a permanent “employee” as defined in Paragraph **(1)** above, who is on leave; or
- (b) To meet seasonal or short-term work load conditions;

while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the “premises”.

- (3) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph (2) above;
- (4) Any natural person who is:
- (a) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any "employee benefit plan(s)" insured under this coverage form; and
 - (b) Your director or trustee while that person is handling "funds" or "other property" of any "employee benefit plan(s)" insured under this coverage form;
- (5) Any natural person who is a former "employee", director, partner, "member", "manager", representative or trustee retained as a consultant while performing services for you; or
- (6) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside the "premises".
- b. "Employee" does not mean:
- (1) Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
 - (2) Any "manager", director or trustee except while performing acts coming within the scope of the usual duties of an "employee".
7. **"Food contamination"** means the actual or alleged occurrence of food poisoning or suspected food poisoning of one or more of your customers. The food contamination must have resulted from tainted food purchased by you or "Communicable Disease" transmitted by one or more of your employees.
8. **"Forgery"** means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.
9. **"Money"** means:
- a. Currency, coins and bank notes in current use and having a face value; and
 - b. Travelers checks, registered checks and money orders held for sale to the public.
10. **"Operations"** means:
- a. Your business activities occurring at the described premises; and
 - b. The tenantability of the described premises, when coverage for "Rental Value" applies.
11. **"Other Property"** means any tangible property other than "money" and "securities" that has intrinsic value but does not include any property excluded under this insurance.
12. **"Period of Restoration"** means the period of time that:
- a. Begins:
 - (1) 72 hours after the time of direct physical loss or damage for Business Income coverage; or
 - (2) Immediately after the time of direct physical loss or damage for Extra Expense coverage;

caused by or resulting from any Covered Cause of Loss at the described premises; and

b. Ends on the earlier of:

- (1)** The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
- (2)** The date when business is resumed at a new permanent location.

"Period of restoration" does not include any increased period required due to the enforcement of any law that:

- (1)** Regulates the construction, use or repair, or requires the tearing down of any property; or
- (2)** Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

13. "Perishable Stock" means personal property:

- a.** Maintained under controlled conditions for its preservation; and
- b.** Susceptible to loss or damage if the controlled conditions change.

14. "Rental Value" means Business Income that consists of:

- a.** Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and

- b.** Containing normal operating expenses incurred in connection with that premises, including:

(1) Payroll; and

- (2)** The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.

15. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or property and includes:

- a.** Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
- b.** Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include "money".

16. "Suspension" means:

- a.** The slowdown or cessation of your business activities; or
- b.** That a part of or all the described premises is rendered untenable, when coverage for "Rental Value" applies.

17. "Theft" means the unlawful taking of "money", "securities", or "other property" to the deprivation of the Insured.

RESTAURANT PROPERTY PLUS ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
 CAUSES OF LOSS – BASIC FORM
 CAUSES OF LOSS – BROAD FORM
 CAUSES OF LOSS – SPECIAL FORM

References herein to changes in policy language, unless otherwise specified, shall apply only to the BUILDING AND PERSONAL PROPERTY COVERAGE FORM.

1. In **Section A.4. Additional Coverages - c. Fire Department Service Charge** \$1,000 is deleted and replaced by \$10,000.
 2. In **Section A.4. Additional Coverages - d. Pollutant Clean Up and Removal** is increased from \$10,000 to \$25,000.
 3. In **Section A.4.e.** is deleted, as broader coverage is included in **Section 9.n.** of this endorsement.
 4. **Section A.4.f.(4) Electronic Data** the amount of \$2,500 is deleted and replaced by \$25,000.
 5. In **Section A.4. Additional Coverages** the following paragraphs are added:
 - g. Business Income**
 - (1) The term Business Income includes "Rental Value".
 - (2) We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to insured property at the premises, which are described in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises is located.
- (3) We will pay only for loss of Business Income that occurs within 12 consecutive months after the date of direct physical loss or damage.
 - (4) Business Income means the:
 - (a) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
 - (b) Continuing normal operating expenses incurred, including payroll.
 - (5) Business Income Loss will be determined based on:
 - (a) The Net Income of the business before the direct physical loss or damage occurred;
 - (b) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
 - (c) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and

(d) Other relevant sources of information, including:

(i) Your financial records and accounting procedures;

(ii) Bills, invoices and other vouchers; and

(iii) Deeds, liens or contracts.

(6) We will reduce the amount of your:

(a) Business Income loss to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.

(b) If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

(7) Coverage for Business Income does not apply when a "suspension" of "operations" is caused by destruction or corruption of "electronic data", or any loss or damage to "electronic data", except as provided under the Coverage Extension - Interruption Of Computer Operations.

h. Extended Business Income

(1) Business Income Other than "Rental Value":

If the necessary "suspension" of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:

(a) Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and

(b) Ends on the earlier of:

(i) The date you could restore your "operations", with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or

(ii) 30 consecutive days after the date determined in (1)(a) above.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

i. Food Contamination Business Interruption

(1) We will pay up to \$50,000 for your actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused directly by "Food Contamination" as a result of a declaration by the Board of Health or other governmental body at the described premises.

(2) The amount of Business Income loss, under this additional coverage, will be determined based on:

(a) The Net Income of the business before the declaration occurred;

(b) The likely Net Income of the business if no loss occurred;

(c) The operating expenses, including payroll expenses necessary to resume "operations" with the same quality of service that existed just before the declaration occurred; and

- (d) Extra advertising cost to restore the reputation of your business.
- (3) We will pay up to \$10,000 for:
 - (a) Your cost to clean your equipment according to local Board of Health requirements;
 - (b) Your costs to replace consumable goods declared contaminated by the local Board of Health;
 - (c) Necessary medical tests and vaccines for affected employees as required by the Board of Health or other government body. This coverage is primary to any other insurance coverage; and
 - (d) Reimbursement of infected patrons for medical care, hospitalization and necessary blood testing.
- (4) For this additional coverage only, **Section B.1. Exclusions** of the CAUSES OF LOSS FORM applicable to this Coverage Part is amended to include:
 - i. Fines or penalties of any kind.
- (5) For this additional coverage only, Paragraph 3. Duties In The Event Of Loss Or Damage of Section **E. Loss Conditions** is deleted and replaced by:
 - 3. Duties In The Event Of Loss Or Damage**
 - a. You must see that the following are done in the event of loss:
 - (1) Give us prompt notice of the declarations and the described premises that may be involved in the loss.
 - (2) Notify any public authority that may have jurisdiction over the incident.
- (3) As soon as possible, give us a description of how, when and where the "Food Contamination" was first discovered.
- (4) Resume all of your "operations" as quickly as possible, we will pay based on the time it would have taken to resume "operations" as quickly as possible.
- (5) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request.
- (6) Cooperate with us in the investigation or settlement of the claim.
- (7) Do, or have done on your behalf, all things reasonably practical to avoid or diminish the loss.

j. Extra Expense

- (1) We will pay necessary Extra Expense you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to insured property at the premises which are described in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises is located.
- (2) We will only pay for Extra Expense that occurs within 12 consecutive months after the date of direct physical loss or damage.
- (3) Coverage pertains to expenses (other than the expense to repair or replace property) which are incurred to:

- (a) Avoid or minimize the “suspension” of business and to continue “operations” at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.
 - (b) Minimize the “suspension” of business if you cannot continue “operations”.
- (4) We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Additional Coverage or Additional Coverage g. Business Income.
- (5) Loss under Extra Expense will be determined based on:
- (a) All expenses that exceed the normal operating expenses that would have been incurred by “operations” during the “period of restoration” if no direct physical loss or damage had occurred. We will deduct from the total of such expenses.
 - (i) The salvage value that remains of any property bought for temporary use during the “period of restoration”, once “operations” are resumed; and
 - (ii) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
 - (b) Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.
- (6) We will reduce the amount of your:
- (a) Extra Expense loss to the extent you can return “operations” to normal and discontinue such Extra Expense.

- (b) If you do not resume “operations”, or do not resume “operations” as quickly as possible, we will pay based on the length of time it would have taken to resume “operations” as quickly as possible.

- (7) Coverage for Extra Expense does not apply when a “suspension” of “operations” is caused by destruction or corruption of “electronic data”, or any loss or damage to “electronic data”, except as provided under the Coverage Extension - Interruption Of Computer Operations.

k. Civil Authority

- (1) We will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises due to direct physical loss of or damage to property, other than at the described premises, caused by or resulting from any Covered Cause of Loss.
- (2) The coverage for Business Income will begin 72 hours after the time of that action and will apply for a period of up to three consecutive weeks after coverage begins.
- (3) The coverage for Extra Expense will begin immediately after the time of that action and will end:
 - (a) 3 consecutive weeks after the time of that action; or
 - (b) When your Business Income coverage ends;
 whichever is later.

I. Catering Penalty Expense Reimbursement

We will reimburse you up to \$1,000 for penalties you incur due to your failure to deliver products as required under catering contracts with your customers. The penalties must result from direct physical loss or damage by a Covered Cause of Loss to Covered Property.

The most we will pay under this additional coverage is \$10,000 in any one policy year.

No deductible applies to this additional coverage.

m. Spoilage Coverage

- (1) For this additional coverage only, **Section A.1. Covered Property** is deleted and replaced by:

1. Covered Property

Covered Property means "perishable stock" at the described premises owned by you or by others that is in your care, custody or control.

- (2) For this additional coverage only, **Section A.2. Property Not Covered** is amended to include:

r. Property located:

- (1) On buildings;
- (2) In the open; or
- (3) In vehicles.

- (3) For this additional coverage only, **Section A.3. Covered Causes Of Loss** is deleted and replaced by:

3. Covered Causes of Loss

a. Breakdown or Contamination, meaning:

- (1) Change in temperature or humidity resulting from mechanical breakdown or failure of refrigerating, cooling or humidity control apparatus or equipment, only while such equipment or apparatus is at the described premises; and
- (2) Contamination by the refrigerant.

- b. Power Outage, meaning change in temperature or humidity resulting from complete or partial interruption of electrical power, either on or off the described premises, due to conditions beyond your control.

- (4) For this additional coverage only, **Section B. Exclusions and Limitations** is deleted and replaced by the following language.

B. Exclusions And Limitations

- (a) Only the following EXCLUSIONS contained in Paragraph **B.1.** of the CAUSES OF LOSS FORM applicable to this Coverage Part apply to Spoilage Coverage:

- (i) **Earth Movement ;**
- (ii) **Governmental Action ;**
- (iii) **Nuclear Hazard ;**
- (iv) **War and Military Action ; and**
- (v) **Water.**

- (b) We also will not pay for loss or damage caused by or resulting from:

- (i) The disconnection of any refrigerating, cooling or humidity control system from the source of power.
- (ii) The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current.
- (iii) The inability of an Electrical Utility Company or other power source to provide sufficient power due to lack of fuel of governmental order.

(iv) The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand.

(v) Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit.

(5) For this additional coverage only, **Section G. Optional Coverages** is deleted.

The most we will pay under this additional coverage is \$10,000 at each described premises.

6. In **Section A.5.a.(1) Newly Acquired or Constructed Property** the amount of \$250,000 is deleted and replaced by \$500,000.

In **Section A.5.a.(3)(b) Newly Acquired or Constructed Property** the 30 days is deleted and replaced by 60 days.

7. In **Section A.5.b. Personal Effects and Property of Others** the amount of \$2,500 is deleted and replaced by \$10,000.

8. In **Section A.5.c.(4) Valuable Papers and Records (Other Than Electronic Data)** the amount of \$2,500 is deleted and replaced by \$25,000.

9. In **Section A.5.e. Outdoor Property** the following changes are being made:

The additional perils listed below are being added but only with respect to outdoor fences and signs (other than signs attached to buildings):

(6) Windstorm;

(7) Hail;

(8) Vandalism;

(9) Malicious Mischief;

(10) Struck by Automobile.

The amount of \$1,000 is deleted and replaced by the amount of \$5,000. However, the limit of \$250 for any one tree, shrub or plant will remain the same.

10. In **Section A.5. Coverage Extensions** the following paragraphs are added:

g. Property in Transit

You may extend the insurance provided by this coverage part to apply to your Business Personal Property in Transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.

Loss or damage must be caused by or result from one of the following causes of loss:

- (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
- (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the road bed.
- (3) "Theft" of an entire bale, case, or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.

The most we will pay for loss or damage under this extension is \$20,000.

h. Accounts Receivable

- (1) You may extend the insurance that applies to your business personal property to apply to:
 - (a) Your customers accounts which you are unable to collect because of direct loss or damage to your records of accounts receivable;
 - (b) Interest charges on any loan taken out by you to offset accounts that are uncollectible because of loss or damage to accounts;

- (c) Collection expenses in excess of normal collection costs made necessary because of loss or damage to accounts;
 - (d) Other reasonable expenses incurred to reestablish records of accounts receivable following loss or damage.
- (2) For valuation purposes, the agreed total amount of Accounts Receivable will be:
- (a) The amount of all outstanding accounts receivable at the end of the same month in the preceding year; multiplied by
 - (b) The percentage of change in the average monthly total of accounts receivable for the 12 months preceding the month in which the loss occurs;
 - (c) Adjusted by deductions for:
 - i. Records not lost or damaged;
 - ii. Accounts that the insured is able to collect; and
 - iii. An allowance for probable bad debts which would normally be uncollectible by the insured.
- (3) The most we will pay under this extension is \$25,000 at each described premises.

i. Automatic Cooking Protection System and Fire Extinguisher Recharge

You may extend the insurance provided by this coverage form to cover expenses you incur to recharge portable fire extinguishers, dry chemical, carbon dioxide or liquid automatic fire extinguishing systems and the cost of resetting automatic fuel shut-off connections, if any of the above are discharged to fight a fire or are discharged due to a mechanical malfunction.

The most we will pay for loss or damage under this extension is \$10,000 in any one occurrence.

No deductible applies to this coverage extension.

j. Data Processing Coverage

- (1) Coverage. You may extend the insurance provided by this coverage part to pay up to \$25,000 for loss or damage to "Data Processing Equipment", including component parts of that equipment, "Data", "Media" (including unused media), or "Computer Programs" which are:
- (a) Owned by you;
 - (b) Leased or rented to you; or
 - (c) Under your control;
- at a location described in the declaration.
- (2) Property not covered. Covered property does not include:
- (a) Property you lease or rent to others while it is away from your premises;
 - (b) Any "data" or "media" which cannot be replaced with others of like kind or quality;
 - (c) Accounts, bills, evidence of debt, valuable papers, records, abstracts, deeds, manuscripts or other documents, except as they may be converted to data processing media form, and then only in that form.
- (3) Exclusions. In addition to the exclusions contained in the causes of loss form attached to this policy, we will not pay for loss or damage under this extension caused directly or indirectly by any of the following:
- (a) Error in machine programming or instructions to machine. But this exclusion does not apply to loss caused by acts of computer hackers, computer viruses, Trojan horses, worms, logic bombs, or other malicious software;
 - (b) Actual work upon, installation or testing of property. But we will pay for direct loss caused by resulting fire or explosion;

(4) Additional Definitions. The following definitions are added:

- (a)** "Data processing equipment" means a network of machine components capable of accepting information, processing it according to plan, and producing desired results. It includes air conditioning, fire protection equipment, and electrical equipment used exclusively in your computer operations.
- (b)** "Data" means facts, concepts, or instructions, including computer programs, which are converted to a form usable in your data processing operations.
- (c)** "Media" means material on which data is recorded.
- (d)** "Computer Programs" means data used to direct computer equipment including diagrams or other records, which can be used to reproduce the programs.

(5) Off-Site Coverage. We will pay up to \$10,000 for loss or damage to lap tops, palmtops, notebook PC's, other portable computer devices and accessories including, but not limited to, multimedia projectors while:

- (a)** at your residence or the residence of your officers, partners, or "employees";
- (b)** temporarily at a premises that is not described on the declaration for more than 60 days; or
- (c)** in transit.

k. Lock Replacement

You may extend the insurance provided by this coverage form to cover necessary expenses to repair or replace exterior or interior door locks of a covered building:

- (1)** If your door keys are stolen in a covered "theft" loss; or

(2) When your locks are damaged by the burglars.

The most we will pay under this extension is \$500 for any one occurrence.

No deductible applies to this coverage extension.

l. Money and Securities

This coverage applies in addition to other coverages provided by this policy. This coverage is subject to the terms and conditions applicable to property covered in this policy, except as provided below.

- (1) Coverage.** We will pay up to \$10,000 in any one occurrence for loss of "money" and "securities" used in your business while at a bank or savings institution, within your living quarters or the living quarters of your partners or any "employee" having use and custody of the property. At the locations shown in the declarations, or in transit between any of these places, resulting directly from:

- (a)** "Theft";
- (b)** Disappearance; or
- (c)** Destruction.

- (2) Limitations and Exclusions.** In addition to the limitations and exclusions applicable to property coverage, we will not pay for loss:

- (a)** Resulting from accounting or arithmetical errors or omissions.
- (b)** Due to the giving or surrendering of property in any exchange or purchase; or
- (c)** Of property contained in any money-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.

(3) Occurrence. All loss caused by one or more persons or involving a single act or series of related acts is considered one occurrence.

(4) Conditions. You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.

(5) In the event of loss or damage covered by this endorsement, we will determine the value of:

(a) "Money" at its face value; and

(b) "Securities" at their value at the close of business on the day the loss is discovered.

m. Off Premises Services - Direct Damage - Limit - \$10,000

We will pay up to \$10,000 for loss of or damage to Covered Property, caused by the interruption of service to the described premises. The interruption must result from direct physical loss or damage by a covered cause of loss to power supply services.

Power Supply Services means the following types of property supplying electricity, steam or gas to the described premises:

(1) Utility generating plants;

(2) Switching stations;

(3) Substations;

(4) Transformers; and

(5) Transmission lines.

It does not include overhead transmission lines.

n. Ordinance or Law Coverage

Increased Cost of Construction Limit - \$50,000
Demolition Limit - \$50,000

(1) Coverage

(a) Coverage A - Coverage For Loss to the Undamaged Portion of the Building

If a covered cause of loss occurs to covered building property shown in the **Property Policy Coverage Part 1**, we will pay for loss to the undamaged portion of the building caused by enforcement of any ordinance or law that:

(i) Requires the demolition of parts of the same property not damaged by a covered cause of loss;

(ii) Regulates the construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and

(iii) Is in force at the time of loss.

Coverage A is included within the limit of insurance applicable to the covered building property shown in the declarations. This is not additional insurance.

(b) Coverage B - Demolition Cost Coverage

If a covered cause of loss occurs to covered building property, we will pay the cost to demolish and clear the site of undamaged parts of the property caused by enforcement of building, zoning or land use ordinance or law.

The coinsurance additional condition does not apply to demolition cost coverage.

(c) Coverage C - Increased Cost of Construction Coverage

If a covered cause of loss occurs to covered building property, we will pay for the increased cost to repair, rebuild or construct the property caused by enforcement of building, zoning or land use ordinance or law. If the property is repaired or rebuilt, it must be intended for similar occupancy as the current property, unless otherwise required by zoning or land use ordinance or law.

However, we will not pay for the increased cost of construction if the building is not repaired or replaced.

The coinsurance additional condition does not apply to increased cost of construction.

- (2) We will not pay under this endorsement for the costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

(3) Under Coverage A - Coverage for Loss to the Undamaged Portion of the Building:

- (a) If the Replacement Cost Coverage Option applies and the property is repaired or replaced, on the same or another premises, we will not pay more for loss or damage to covered property, including loss caused by enforcement of an ordinance or law, than the lesser of:

- (i) The amount you actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises, and to the same height, floor area, style and comparable quality of the original property insured; or

- (ii) The limit of insurance applicable to the covered building property.

- (b) (i) If the replacement cost coverage option applies and the property is **not** repaired or replaced; or

- (ii) If the replacement cost coverage does not apply:

We will not pay more for loss or damage to covered property, including loss caused by enforcement of an ordinance or law, than the lesser of:

- 1) The actual cash value of the building at the time of the loss; or
2) The limit of insurance applicable to the covered building property.

- (4) We will not pay more under **Coverage B - Demolition Cost Coverage** than the lesser of the following:

- (a) The amount you actually spend to demolish and clear the site of the described premises; or

- (b) The applicable demolition cost limit of insurance of \$50,000 as shown under **n. Ordinance or Law Coverage**.

- (5) (a) We will not pay under **Coverage C - Increased Cost of Construction Coverage**:

- (i) Until the property is actually repaired or replaced, at the same or another premises; and

- (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

- (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage C is the lesser of:

- (i) The increased cost of construction at the same premises; or
 - (ii) The \$50,000 increased cost of construction limit of insurance.
- (c) If the ordinance or law requires relocation to another premises, the most we will pay under Coverage C is the lesser of:
- (i) The increased cost of construction at the new premises; or
 - (ii) The \$50,000 increased cost of construction limit of insurance.
- (6) The terms of this endorsement apply separately to each building to which this endorsement applies.

o. Interruption of Computer Operations

- (1) Subject to all provisions of this Coverage Extension, you may extend the insurance that applies to Business Income and Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations during the "period of restoration" due to destruction or corruption of "electronic" data due to a Covered Cause of Loss.
- (2) With respect to the coverage provided under this Coverage Extension, the Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including electronic data) by any "employee", including a temporary or leased "employee", or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.

- (3) The most we will pay under this Coverage Extension - Interruption of Computer Operations is \$10,000 for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.

- (4) This Coverage Extension - Interruption in Computer Operations does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in (3) above has not been exhausted.

These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

p. Newly Acquired or Constructed Property - Business Income and Extra Expense

- (1) You may extend your Business Income and Extra Expense Additional Coverages to apply to property at any location you acquire other than at fairs, trade shows, or exhibitions.
- (2) With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:
- (a) This policy expires.

(b) 60 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property.

(c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

q. Fairs, Trade Shows or Exhibitions

We will pay for loss or damage to Your Business Personal Property while temporarily on display to the public at fairs or exhibitions on premises not owned, operated or leased by the Named Insured. This extension does not apply to your salespersons samples or fine arts.

The most we will pay under this extension is \$20,000 for any one occurrence.

r. Fine Arts

We will pay for loss or damage to paintings, etchings, pictures, tapestries, art glass windows and other bona fide works of art of rarity, historical value, or artistic merit caused by or resulting from a Covered Cause of Loss.

The most we will pay under this extension is \$10,000 for any one occurrence.

The value of Fine Arts will be the market value at the time of physical loss or physical damage.

s. Employee Theft

We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from "theft" committed by an "employee", whether identified or not, acting alone or in collusion with other persons.

The most we will pay under this extension is \$5,000 for any one occurrence.

t. Forgery Or Alteration

a. We will pay for loss resulting directly from "forgery" or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:

(1) Made or drawn by or drawn upon you; or

(2) Made or drawn by one acting as your agent;

or that are purported to have been so made or drawn.

b. If you are sued for refusing to pay any instrument covered in Paragraph a. above, on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount that we will pay is in addition to the Limit of Insurance applicable to this Insuring Agreement.

The most we will pay under this extension is \$2,000 for any one occurrence.

11. Section C. Limits of Insurance is deleted and replaced by:

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs attached to buildings is \$10,000 per sign in any one occurrence.

The limits applicable to the Fire Department Service Charge, Pollution Clean Up and Removal, Business Income, Extended Business Income, Food Contamination Business Interruption, Extra Expense, Civil Authority, Catering Penalty Expense Reimbursement and Spoilage Coverage are in addition to the Limits of Insurance.

Payments under the Preservation of Property Additional Coverage will not increase the applicable Limit of Insurance.

The Limit of Insurance for your Business Personal Property will automatically increase by 25% to provide for seasonal variations. This increase will apply only if the Limit of Insurance shown for your Business Personal Property in the Declarations is at least 100% of your average monthly values during the lesser of:

- a. The 12 months immediately preceding the date the loss or damage occurs; or
- b. The period of time you have been in business as of the date the loss or damage occurs.

12. In Section D. Deductible the following paragraphs are added:

With respect to the following Additional Coverage or Coverage Extension provided by this form: Personal Effects and Property of Others, Spoilage Coverage, Property in Transit, Data Processing Coverage (Off-Site Coverage only), Money and Securities, Off Premises Services – Direct Damage, Fine Arts, Employee Theft and Forgery or Alteration.

The policy deductible or \$1,000 will apply, whichever is less.

13. In Section H. Definitions the following paragraphs are added:

4. **“Communicable Disease”** is defined as a bacterial microorganism transmitted through human contact to food.
5. **“Electronic data”** means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

6. “Employee” :

a. “Employee” means:

(1) Any natural person:

- (a) While in your service or for 30 days after termination of service;
- (b) Who you compensate directly by salary, wages or commissions; and
- (c) Who you have the right to direct and control while performing services for you;

(2) Any natural person who is furnished temporarily to you;

- (a) To substitute for a permanent “employee” as defined in Paragraph (1) above, who is on leave; or
- (b) To meet seasonal or short-term work load conditions;

while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the “premises”.

(3) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph (2) above;

(4) Any natural person who is:

- (a) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any “employee benefit plan(s)” insured under this coverage form; and

(b) Your director or trustee while that person is handling “funds” or “other property” of any “employee benefit plan(s)” insured under this coverage form;

(5) Any natural person who is a former “employee”, director, partner, “member”, “manager”, representative or trustee retained as a consultant while performing services for you; or

(6) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside the “premises”.

b. “Employee” does not mean:

(1) Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or

(2) Any “manager”, director or trustee except while performing acts coming within the scope of the usual duties of an “employee”.

7. **“Food contamination”** means the actual or alleged occurrence of food poisoning or suspected food poisoning of one or more of your customers. The food contamination must have resulted from tainted food purchased by you or “Communicable Disease” transmitted by one or more of your employees.

8. **“Forgery”** means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one’s own name signed with or without authority, in any capacity, for any purpose.

9. **“Money”** means:

a. Currency, coins and bank notes in current use and having a face value; and

b. Travelers checks, registered checks and money orders held for sale to the public.

10. **“Operations”** means:

a. Your business activities occurring at the described premises; and

b. The tenantability of the described premises, when coverage for “Rental Value” applies.

11. **“Other Property”** means any tangible property other than “money” and “securities” that has intrinsic value but does not include any property excluded under this insurance.

12. **“Period of Restoration”** means the period of time that:

a. Begins:

(1) 72 hours after the time of direct physical loss or damage for Business Income coverage; or

(2) Immediately after the time of direct physical loss or damage for Extra Expense coverage:

caused by or resulting from any Covered Cause of Loss at the described premises; and

b. Ends on the earlier of:

(1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or

(2) The date when business is resumed at a new permanent location.

“Period of restoration” does not include any increased period required due to the enforcement of any law that:

(1) Regulates the construction, use or repair, or requires the tearing down of any property; or

(2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of “pollutants”.

The expiration date of this policy will not cut short the "period of restoration".

13. "Perishable Stock" means personal property:

- a. Maintained under controlled conditions for its preservation; and
- b. Susceptible to loss or damage if the controlled conditions change.

14. "Rental Value" means Business Income that consists of:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and
- b. Containing normal operating expenses incurred in connection with that premises, including:

(1) Payroll; and

(2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.

15. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or property and includes:

- a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
- b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include "money".

16. "Suspension" means:

- a. The slowdown or cessation of your business activities; or
- b. That a part of or all the described premises is rendered untenable, when coverage for "Rental Value" applies.

17. "Theft" means the unlawful taking of "money", "securities", or "other property" to the deprivation of the Insured.

PACKAGE PLUS ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

1. In **Section A.4.a.(4) Debris Removal** wherever the amount of \$10,000 is listed it is deleted and replaced by \$25,000.
2. In **Section A.4.c. Fire Department Service Charge** the amount of \$1,000 is deleted and replaced by \$2,500.
3. In **Section A.4.d. Pollutant Clean Up and Removal** the amount of \$10,000 is deleted and replaced by \$25,000.
4. **Section A.4.e.** is deleted as broader coverage is included in **Section 12.n.** of this endorsement.
5. In **Section A.4.f.(4) Electronic Data** the amount of \$2,500 is deleted and replaced by \$25,000.
6. In **Section A.4. Additional Coverages** the following paragraphs are added:

g. Business Income

The term Business Income includes "Rental Value".

We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to insured property at the premises, which are described in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises is located.

We will pay only for loss of Business Income that occurs within 12 consecutive months after the date of direct physical loss or damage.

Business Income means the:

- (1) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- (2) Continuing normal operating expenses incurred, including payroll.

h. Extra Expense

We will pay necessary Extra Expense you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to insured property at the premises which are described in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises is located.

We will only pay for Extra Expense that occurs within 12 consecutive months after the date of direct physical loss or damage.

Coverage pertains to expenses (other than the expense to repair or replace property) which are incurred to:

- (1) Avoid or minimize the “suspension” of business and to continue “operations” at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.
- (2) Minimize the “suspension” of business if you cannot continue “operations”.

We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Additional Coverage or Additional Coverage e. Business Income.

i. Civil Authority

In this Additional Coverage – Civil Authority, the described premises are premises to which this Coverage Form applies, as shown in the Declarations.

When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and
- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority Coverage for Business Income will begin 72 hours after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

Civil Authority Coverage for Extra Expense will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will end:

- (1) Four consecutive weeks after the date of that action; or
- (2) When your Civil Authority Coverage for Business Income ends;

whichever is later.

j. Security Breach and Identity Services

We will now provide Security Breach services to you as well as Identity services to you, your employees and household family members.* These services are administered by Identity Theft 911®.

Security Breach Services – Confidential information entrusted to you, including SSNs and credit card data can sometimes be compromised. If such a security breach occurred, you might be required by law to notify the affected individuals. Identity Theft 911's Security Breach services will prepare you for the event of a potential breach and guide you through the process of notifying the affected individuals should a breach occur.

Identity Services – Identity services from Identity Theft 911 give you unlimited, one-on-one access to a highly experienced fraud specialist who will act as a personal advocate in a wide range of identity-compromising situations. Whether you have a serious identity theft crisis or need to take preventative measures regarding a lost or stolen wallet, you don't have to struggle on your own.

In the event of a security breach, contact Identity Theft 911 at **1-800-493-0943** and provide the following program number: **UFG100**. In case of an identity theft or identity-related concern, you, your employees and household family members should call Identity Theft 911 at **1-800-405-6108** and provide the following program number: **UFG100**. Highly trained fraud specialists are on call to provide unlimited personal assistance 24 hours a day, seven days a week.

More information about these services is available on our policyholder website at www.ufgPolicy.com, including a flyer that can be printed, e-mailed or posted on your company's bulletin board or intranet to inform employees of the free identity services available to them. We also recommend that you visit Identity Theft 911's website at www.myidentityservices.com to access the latest identity theft tips, media alerts, in-depth newsletters and more. Use the following login codes: Username: **cra2693**, Password: **rw3x26**.

*Identity services are available to a spouse and/or relative under age 23 who lives in the household.

7. In **Section A.5.a.(1) Newly Acquired or Constructed Property** the amount of \$250,000 is deleted and replaced by \$500,000.

Section A.5.a.(3) under **Newly Acquired or Constructed Property** is deleted and replaced by the following:

(3) Business Income

You may extend your Business Income and Extra Expense Additional Coverages to apply to property at any location you acquire other than at fairs, trade shows, or exhibitions.

(4) Period Of Coverage

With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:

- (a) This policy expires;
- (b) 60 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

- 8. In **Section A.5.b. Personal Effects and Property of Others** the amount \$2,500 is deleted and replaced by the amount \$10,000.
- 9. In **Section A.5.c.(4) Valuable Papers and Records (Other Than Electronic Data)** the amount of \$2,500 is deleted and replaced by \$25,000.
- 10. In **Section A.5.d.(3) Property Off-Premises** the amount of \$10,000 is deleted and replaced by \$20,000.
- 11. In **Section A.5.e. Outdoor Property** the following changes are being made:

The additional perils listed below are being added but only with respect to outdoor fences:

- (6) Windstorm;
- (7) Hail;
- (8) Vandalism;
- (9) Malicious Mischief;
- (10) Struck by Automobile.

The amount of \$1,000 is deleted and replaced by the amount of \$5,000. However, the limit of \$250 for any one tree, shrub or plant will remain the same.

- 12. In **Section A.5. Coverage Extensions** the following paragraphs are added:

g. Property in Transit

You may extend the insurance provided by this coverage part to apply to your Business Personal Property in Transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.

Loss or damage must be caused by or result from one of the following causes of loss:

- (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
- (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the road bed.
- (3) "Theft" of an entire bale, case, or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.

The most we will pay for loss or damage under this extension is \$20,000.

h. Accounts Receivable

You may extend the insurance that applies to your business personal property to apply to:

- (1) Your customers accounts which you are unable to collect because of direct loss or damage to your records of accounts receivable;
- (2) Interest charges on any loan taken out by you to offset accounts that are uncollectible because of loss or damage to accounts;
- (3) Collection expenses in excess of normal collection costs made necessary because of loss or damage to accounts;

- (4) Other reasonable expenses incurred to reestablish records of accounts receivable following loss or damage.

The most we will pay under this extension is \$25,000 at each described premises.

i. Fire Extinguisher Recharge

You may extend the insurance provided by this coverage form to cover expenses you incur to recharge portable fire extinguishers, dry chemical, carbon dioxide or liquid automatic fire extinguishing systems and the cost of resetting automatic fuel shut-off connections, if any of the above are discharged to fight a fire or are discharged due to a mechanical malfunction.

The most we will pay for loss or damage under this extension is \$1,000 in any one occurrence.

No deductible applies to this coverage extension.

j. Data Processing Coverage

- (1) Coverage. You may extend the insurance provided by this coverage part to pay up to \$25,000 for loss or damage to "Data Processing Equipment", including component parts of that equipment, "Data", "Media" (including unused media), or "Computer Programs" which are:

- (a) Owned by you;
- (b) Leased or rented to you; or
- (c) Under your control;

at a location described in the declaration.

- (2) Property not covered. Covered property does not include:

- (a) Property you lease or rent to others while it is away from your premises.

- (b) Any "data" or "media" which cannot be replaced with others of like kind or quality;
 - (c) Accounts, bills, evidence of debt, valuable papers, records, abstracts, deeds, manuscripts or other documents, except as they may be converted to data processing media form, and then only in that form.
- (3) Exclusions. In addition to the exclusions contained in the causes of loss form attached to this policy, we will not pay for loss or damage under this extension caused directly or indirectly by any of the following:
- (a) Error in machine programming or instructions to machine. But this exclusion does not apply to loss caused by acts of computer hackers, computer viruses, trojan horses, worms, logic bombs, or other malicious software;
 - (b) Actual work upon, installation or testing of property. But we will pay for direct loss caused by resulting fire or explosion;
- (4) Additional Definitions. The following definitions are added:
- (a) "Data processing equipment" means a network of machine components capable of accepting information, processing it according to plan, and producing desired results. It includes air conditioning, fire protection equipment, and electrical equipment used exclusively in your computer operations.
 - (b) "Data" means facts, concepts, or instructions, including computer programs, which are converted to a form usable in your data processing operations.
 - (c) "Media" means material on which data is recorded.
 - (d) "Computer Programs" means data used to direct computer equipment including diagrams or other records which can be used to reproduce the programs.
- (5) Off-Site Coverage. We will pay up to \$10,000 for loss or damage to laptops, palmtops, notebook PC's, other portable computer devices and accessories including, but not limited to, multimedia projectors while:
- (a) at your residence or the residence of your officers, partners, or "employees";
 - (b) temporarily at a premises that is not described on the declaration for more than 60 days; or
 - (c) in transit.
- k. Lock Replacement**
- You may extend the insurance provided by this coverage form to cover necessary expenses to repair or replace exterior or interior door locks of a covered building:
- (1) If your door keys are stolen in a covered "theft" loss; or
 - (2) When your locks are damaged by the burglars.
- The most we will pay under this extension is \$500 for any one occurrence.
- No deductible applies to this coverage extension.
- l. Money and Securities**
- This coverage applies in addition to other coverages provided by this policy. This coverage is subject to the terms and conditions applicable to property covered in this policy, except as provided below.

- (1) Coverage. We will pay up to \$10,000 in any one occurrence for loss of "money" and "securities" used in your business while at a bank or savings institution, within your living quarters or your partners or any "employee" having use and custody of the property.

At the locations shown in the declarations, or in transit between any of these places, resulting directly from:

- (a) "Theft";
- (b) Disappearance; or
- (c) Destruction.

- (2) Limitations and Exclusions. In addition to the limitations and exclusions applicable to property coverage, we will not pay for loss:

- (a) Resulting from accounting or arithmetical errors or omissions.
- (b) Due to the giving or surrendering of property in any exchange or purchase; or
- (c) Of property contained in any money-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.

- (3) Occurrence. All loss caused by one or more persons or involving a single act or series of related acts is considered one occurrence.

- (4) Conditions. You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.

In the event of loss or damage covered by this endorsement, we will determine the value of:

- (a) "Money" at its face value; and
- (b) "Securities" at their value at the close of business on the day the loss is discovered.

m. Off Premises Services – Direct Damage – Limit - \$10,000

We will pay up to \$10,000 for loss of or damage to Covered Property, caused by the interruption of service to the described premises. The interruption must result from direct physical loss or damage by a covered cause of loss to power supply services.

- (1) **Power Supply Services** means the following types of property supplying electricity, steam or gas to the described premises:

- (a) Utility generating plants;
- (b) Switching stations;
- (c) Substations;
- (d) Transformers; and
- (e) Transmission lines.

It does not include overhead transmission lines.

n. Ordinance or Law Coverage

Increased Cost of Construction Limit - \$50,000
Demolition Limit - \$50,000

(1) Coverage

- (a) **Coverage A – Coverage For Loss to the Undamaged Portion of the Building.**

If a covered cause of loss occurs to covered building property shown in the **Property Policy Coverage Part 1**, we will pay for loss to the undamaged portion of the building caused by enforcement of any ordinance or law that:

- (1) Requires the demolition of parts of the same property not damaged by a covered cause of loss;

(2) Regulates the construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and

(3) Is in force at the time of loss.

Coverage A is included within the limit of insurance applicable to the covered building property shown in the declarations. This is not additional insurance.

(b) Coverage B – Demolition Cost Coverage

If a covered cause of loss occurs to covered building property, we will pay the cost to demolish and clear the site of undamaged parts of the property caused by enforcement of building, zoning or land use ordinance or law.

The coinsurance additional condition does not apply to demolition cost coverage.

(c) Coverage C – Increased Cost of Construction Coverage.

If a covered cause of loss occurs to covered building property, we will pay for the increased cost to repair, rebuild or construct the property caused by enforcement of building, zoning or land use ordinance or law. If the property is repaired or rebuilt, it must be intended for similar occupancy as the current property, unless otherwise required by zoning or land use ordinance or law.

However, we will not pay for the increased cost of construction if the building is not repaired or replaced.

The coinsurance additional condition does not apply to increased cost of construction.

(2) We will not pay under this endorsement for the costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of “pollutants”.

(3) Under Coverage A – Coverage for Loss to the Undamaged Portion of the Building:

(a) If the replacement Cost Coverage Option applies and the property is repaired or replaced, on the same or another premises, we will not pay more for loss or damage to covered property, including loss caused by enforcement of an ordinance or law, than the lesser of:

(1) The amount you actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or

(2) The limit of insurance applicable to the covered building property.

(b) (1) If the replacement cost coverage option applies and the property is **not** repaired or replaced; or

(2) If the replacement cost coverage does not apply:

We will not pay more for loss or damage to covered property, including loss caused by enforcement of an ordinance or law, than the lesser of:

(a) The actual cash value of the building at the time of the loss; or

(b) The limit of insurance applicable to the covered building property.

(4) We will not pay more under **Coverage B – Demolition Cost Coverage** than the lesser of the following:

- (a) The amount you actually spend to demolish and clear the site of the described premises; or
- (b) The applicable demolition cost limit of insurance of \$50,000 as shown under **n. Ordinance or Law Coverage**

(5) (a) We will not pay under **Coverage C – Increased Cost of Construction Coverage**:

- (1) Until the property is actually repaired or replaced, at the same or another premises; and
 - (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
- (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage C is the lesser of:
- (1) The increased cost of construction at the same premises; or
 - (2) The \$50,000 increased cost of construction limit of insurance.
- (c) If the ordinance or law requires relocation to another premises, the most we will pay under Coverage C is the lesser of:
- (1) The increased cost of construction at the new premises; or
 - (2) The \$50,000 increased cost of construction limit of insurance.

(6) The terms of this endorsement apply separately to each building to which this endorsement applies.

o. Fine Arts

We will pay for loss or damage to paintings, etchings, pictures, tapestries, art glass windows and other bona fide works of art of rarity, historical value, or artistic merit caused by or resulting from a Covered Cause of Loss.

The most we will pay under this extension is \$10,000 for any one occurrence.

The value of Fine Arts will be the market value at the time of physical loss or physical damage.

p. Employee Theft

We will pay for loss of or damage to “money”, “securities” and “other property” resulting directly from “theft” committed by an “employee”, whether identified or not, acting alone or in collusion with other persons.

The most we will pay under this extension is \$5,000 for any one occurrence.

q. Forgery Or Alteration

(a) We will pay for loss resulting directly from “forgery” or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in “money” that are:

- (1) Made or drawn by or drawn upon you; or
- (2) Made or drawn by one acting as your agent;

or that are purported to have been so made or drawn.

- (b) If you are sued for refusing to pay any instrument covered in Paragraph **a.** above, on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount that we will pay is in addition to the Limit of Insurance applicable to this Insuring Agreement.

The most we will pay under this extension is \$2,000 for any one occurrence.

r. Interruption of Computer Operations

- (1) Under this Coverage Extension, electronic data has the meaning described under Property Not Covered- Electronic Data.
- (2) Subject to all provisions of this Coverage Extension, you may extend the insurance that applies to Business Income and Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a Covered Cause of Loss.
- (3) With respect to the coverage provided under this Coverage Extension, the Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including electronic data) by any "employee", including a temporary or leased "employee", or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.

- (4) The most we will pay under this Coverage Extension – Interruption of Computer Operations is \$10,000 for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.

- (5) This Coverage Extension – Interruption in Computer Operations does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in (4) above has not been exhausted.

These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

13. Section C. Limits of Insurance is deleted and replaced by the following:

C. Limits of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs (other than signs attached to buildings) is \$5,000 per sign in any one occurrence.

The most we will pay for loss or damage to outdoor signs attached to buildings is \$10,000 per sign in any one occurrence.

The amounts of insurance or time period stated in the following Additional Coverages apply in accordance with the terms of such coverages and are separate from the Limit(s) of Insurance shown in the Declarations for any other coverage:

- (1) Fire Department Service Charge;
- (2) Pollutant Clean-up And Removal;
- (3) Coverage B – Demolition Cost Coverage found under n. Ordinance or Law Coverage;
- (4) Coverage C – Increased Cost of Construction found under n. Ordinance or Law Coverage
- (5) Electronic Data;
- (6) Business Income;
- (7) Extra Expense; and
- (8) Civil Authority

Payments under the Preservation of Property Additional Coverage will not increase the applicable Limit of Insurance.

The Limit of Insurance for your Business Personal Property will automatically increase by 25% to provide for seasonal variations. This increase will apply only if the Limit of Insurance shown for your Business Personal Property in the Declarations is at least 100% of your average monthly values during the lesser of:

- a. The 12 months immediately preceding the date the loss or damage occurs; or
- b. The period of time you have been in business as of the date the loss or damage occurs.

14. In **Section D. Deductible** the following paragraph is added:

With respect to the following Additional Coverage or Coverage Extensions provided by this form: Personal Effects and Property of Others, Property in Transit, Data Processing Coverage (Off-Site Coverage only), Money and Securities, Off Premises Services – Direct Damage, Fine Arts, Employee Theft and Forgery or Alteration;

The policy deductible or \$1,000 will apply, whichever is less.

15. In **Section E.7. Valuation** the following changes are being made.

Paragraph a. is being replaced by the following:

- a. At actual cash value as of the time of the loss or damage, except as provided in b. through j. below.

Paragraphs f. through j. are being added as shown below:

- f. With respect to personal property of others, if an item(s) of personal property of others is subject to a written lease which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you were liable under such lease, but not to exceed the lesser of the replacement cost of the property or the applicable limit of insurance.
- g. Business Income Loss will be determined based on:
 - (1) The Net Income of the business before the direct physical loss or damage occurred;
 - (2) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;

(3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and

(4) Other relevant sources of information, including:

(a) Your financial records and accounting procedures;

(b) Bills, invoices and other vouchers; and

(c) Deeds, liens or contracts.

h. Loss under Extra Expense will be determined based on:

(1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses;

(a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and

(b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and

(2) Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

i. Resumption Of Operations

We will reduce the amount of your:

(1) Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.

(2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

(3) If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

j. The agreed total amount of Accounts Receivable will be:

(1) The amount of all outstanding accounts receivable at the end of the same month in the preceding year; multiplied by

(2) The percentage of change in the average monthly total of accounts receivable for the 12 months preceding the month in which the loss occurs;

(3) Adjusted by deductions for:

(a) Records not lost or damaged;

(b) Accounts that the insured is able to collect; and

(c) An allowance for probable bad debts which would normally be uncollectible by the insured.

16. In **Section H. Definitions** the following paragraphs are added:

4. "Employee":

a. "Employee" means:

(1) Any natural person:

(a) While in your service or for 30 days after termination of service;

(b) Who you compensate directly by salary, wages or commissions; and

(c) Who you have the right to direct and control while performing services for you;

(2) Any natural person who is furnished temporarily to you;

(a) To substitute for a permanent "employee" as defined in Paragraph (1) above, who is on leave; or

(b) To meet seasonal or short-term work load conditions;

while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the "premises".

(3) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph (2) above;

(4) Any natural person who is:

(a) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any "employee benefit plan(s)" insured under this coverage form; and

(b) Your director or trustee while that person is handling "funds" or "other property" of any "employee benefit plan(s)" insured under this coverage form;

(5) Any natural person who is a former "employee", director, partner, "member", "manager", representative or trustee retained as a consultant while performing services for you; or

(6) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside the "premises".

b. "Employee" does not mean:

(1) Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or

(2) Any "manager", director or trustee except while performing acts coming within the scope of the usual duties of an "employee".

5. **"Forgery"** means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.

6. **"Money"** means:

a. Currency, coins and bank notes in current use and having a face value; and

b. Travelers checks, registered checks and money orders held for sale to the public.

7. **"Operations"** means:

a. Your business activities occurring at the described premises; and

b. The tenantability of the described premises, when coverage for "Rental Value" applies.

8. **"Other Property"** means any tangible property other than "money" and "securities" that has intrinsic value but does not include any property excluded under this insurance.

9. **"Period of Restoration"** means the period of time that:

a. Begins:

(1) 72 hours after the time of direct physical loss or damage for Business Income coverage; or

(2) Immediately after the time of direct physical loss or damage for Extra Expense coverage:

caused by or resulting from any Covered Cause of Loss at the described premises; and

b. Ends on the earlier of:

(1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or

(2) The date when business is resumed at a new permanent location.

"Period of restoration" does not include any increased period required due to the enforcement of any law that:

(1) Regulates the construction, use or repair, or requires the tearing down of any property; or

(2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

10. "Rental Value" means Business Income that consists of:

a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and

b. Containing normal operating expenses incurred in connection with that premises, including:

(1) Payroll; and

(2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.

11. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or property and includes:

a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and

b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include "money".

12. "Suspension" means:

a. The slowdown or cessation of your business activities; or

b. That a part of or all the described premises is rendered untenable, when coverage for "Rental Value" applies.

13. "Theft" means the unlawful taking of "money", "securities", or "other property" to the deprivation of the Insured.

PACKAGE PLUS ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

1. In **Section A.4.f.(4) Electronic Data** the amount \$2,500 is deleted and replaced by the amount \$25,000.
2. In **Section A.4. Additional Coverages** the following paragraphs are added:

g. Business Income

The term Business Income includes "Rental Value".

We will pay for the actual loss of Business Income you sustain due to the necessary suspension of your "operations" during the "period of restoration". The suspension must be caused by direct physical loss of or damage to property at the described premises, including personal property in the open (or in a vehicle) within 100 feet, caused by or resulting from any Covered Causes of Loss.

We will pay only for loss of Business Income that occurs within 12 consecutive months after the date of direct physical loss or damage.

Business Income means the:

- (1) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- (2) Continuing normal operating expenses incurred, including payroll.

h. Extra Expense

We will pay necessary Extra Expense you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property at the described premises, including personal property in the open (or in a vehicle) within 100 feet, caused by or resulting from a Covered Cause of Loss.

We will pay only for Extra Expense that occurs within 12 consecutive months after the date of direct physical loss or damage.

Extra Expense means the expense incurred:

- (1) To avoid or minimize the suspension of business and to continue "operations":
 - (a) At the described premises; or
 - (b) At replacement premises or at temporary locations, including:
 - (i) Relocation expenses; and
 - (ii) Costs to equip and operate the replacement location or temporary locations.
- (2) to minimize the suspension of business if you cannot continue "operations".
- (3) (a) To repair or replace any property; or
 - (b) To research, replace or restore the lost information on damaged valuable papers and records;

to the extent it reduces the amount of loss that otherwise would have been payable under this **Additional Coverage g. Business Income**.

i. Civil Authority

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises due to direct physical loss of or damage to property, other than at the described premises, caused by or resulting from any Covered Cause of Loss.

The coverage for Business Income will begin 72 hours after the time of that action and will apply for a period of up to three consecutive weeks after coverage begins.

The coverage for Extra Expense will begin immediately after the time of that action and will end:

- (1) 3 consecutive weeks after the time of that action; or
- (2) When your Business Income coverage ends;

whichever is greater.

j. Money and Securities Coverage.

This coverage applies in addition to other coverages provided by this policy. This coverage is subject to the terms and conditions applicable to property coverage in this policy, except as provided below.

- (1) **Coverage.** We will pay up to \$2,000 in any one occurrence for loss of money and securities used in your business while at a bank or savings institution, within your living quarters or your partners or any employee having use and custody of the property, at the locations shown in the Declarations, or in transit between any of these places, resulting directly from:

- (a) Theft, meaning any act of stealing;
- (b) Disappearance; or
- (c) Destruction.

- (2) **Limitations and Exclusions.** In addition to the Limitations and Exclusions applicable to property coverage, we will not pay for loss:

- (a) Resulting from accounting or arithmetical errors or omissions;
- (b) Due to the giving or surrendering of property in any exchange or purchase; or

- (c) Of property contained in any money-operated device unless the amount of money deposited in it is recorded by a continuous recording instrument in the device.

- (3) **Occurrence.** All loss caused by one or more persons or involving a single act or series of related acts is considered one occurrence.

- (4) **Conditions.** You must keep records of all money and securities so we can verify the amount of any loss or damage.

In the event of loss or damage covered by this endorsement, we will determine the value of:

- (a) Money at its face value; and
- (b) Securities at their value at the close of business on the day the loss is discovered.

- 3. In **Section A.5.a. Newly Acquired or Constructed Property** the following paragraph is added:

(4) Business Income

You may extend your Business Income and Extra Expense Additional Coverages to apply to property at any location you acquire other than at fairs, trade shows, or exhibitions.

- 4. In **Section A.5.b. Personal Effects and Property of Others** the amount \$2,500 is deleted and replaced by the amount \$10,000.
- 5. In **Section A.5.c.(4) Valuable Papers and Records (Other Than Electronic Data)** the amount of \$2,500 is deleted and replaced by the amount \$25,000.
- 6. In **Section A.5. Coverage Extensions** the following paragraphs are added:

g. Property in Transit

You may extend the insurance provided by this Coverage Part to apply to Your Business Personal Property in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.

Loss or damage must be caused by or result from one of the following causes of loss:

- (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism;
- (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the road bed;
- (3) Theft of an entire bale, case, or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.

The most we will pay for loss or damage under this Extension is \$20,000.

h. Accounts Receivable

You may extend the insurance that applies to your business personal property to apply to:

- (1) Your customers accounts which you are unable to collect because of direct loss or damage to your records of accounts receivable;
- (2) Interest charges on any loan taken out by you to offset accounts that are uncollectible because of loss or damage to accounts;
- (3) Collection expenses in excess of normal collection costs made necessary because of loss or damage to accounts;
- (4) Other reasonable expenses incurred to reestablish records of accounts receivable following loss or damage.

The most we will pay under this extension is \$25,000 at each described premises.

i. Fire Extinguisher Recharge

You may extend the insurance provided by this coverage form to cover expenses you incur to recharge portable fire extinguishers, dry chemical, carbon dioxide or liquid automatic fire extinguishing systems and the cost of resetting automatic fuel shut-off connections, if any of the above are discharged to fight a fire or are discharged due to a mechanical malfunction.

The most we will pay for loss or damage under this extension is \$1,000 in any one occurrence.

No deductible applies to this coverage extension.

j. Lock Replacement

You may extend the insurance provided by this coverage form to cover necessary expenses to repair or replace exterior or interior door locks of a covered building:

- (1) If your door keys are stolen in a covered theft loss; or
- (2) When your locks are damaged by the burglars.

The most we will pay under this extension is \$500 for any one occurrence.

k. Data Processing Coverage

(1) Coverage. You may extend the insurance provided by this coverage part to pay up to \$25,000 for loss or damage to "Data Processing Equipment", including component parts of that equipment, "Data", "Media" (including unused media), or "Computer Programs" which are:

- (a) Owned by you;
- (b) Leased or rented to you; or
- (c) Under your control;

at a location described in the declaration.

(2) Property Not Covered. Covered property does not include:

- (a) Property you lease or rent to others while it is away from your premises;
- (b) Any "data" or "media" which cannot be replaced with others of like kind or quality;
- (c) Accounts, bills, evidence of debt, valuable papers, records, abstracts, deeds, manuscripts or other documents, except as they may be converted to data processing media form, and then only in that form.

(3) Exclusions. In addition to the exclusions contained in the Causes of Loss Form attached to this policy, we will not pay for loss or damage under this Extension caused directly or indirectly by any of the following:

- (a) Error in machine programming or instructions to machine. But this exclusion does not apply to loss caused by acts of computer hackers, computer viruses, trojan horses, worms, logic bombs, or other malicious software;
- (b) Actual work upon, installation or testing of property. But we will pay for direct loss caused by resulting fire or explosion;

(4) Additional Definitions. The following definitions are added:

- (a) "Data processing equipment" means a network of machine components capable of accepting information, processing it according to plan, and producing desired results. It includes air conditioning, fire protection equipment, and electrical equipment used exclusively in your computer operations.

(b) "Data" means facts, concepts, or instructions, including computer programs, which are converted to a form usable in your data processing operations.

(c) "Media" means material on which data is recorded.

(d) "Computer Programs" means data used to direct computer equipment including diagrams or other records which can be used to reproduce the programs.

(5) Off-Site Coverage. We will pay up to \$10,000 for loss or damage to laptops, palmtops, notebook PC's, other portable computer devices and accessories including, but not limited to, multimedia projectors while:

- (a) at your residence or the residence of your officers, partners, or employees;
- (b) temporarily at a premises that is not described on the declaration for more than 60 days; or
- (c) in transit.

r. Interruption of Computer Operations

(1) Under this Coverage Extension, electronic data has the meaning described under Property Not Covered - Electronic Data.

(2) Subject to all provisions of this Coverage Extension, you may extend the insurance that applies to Business Income and Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a Covered Cause of Loss.

(3) With respect to the coverage provided under this Coverage Extension, the Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.

(4) The most we will pay under this Coverage Extension - Interruption of Computer Operations is \$10,000 for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.

(5) This Coverage Extension - Interruption in Computer Operations does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in (4) above has not been exhausted.

These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

7. **Section C. Limits of Insurance** is deleted and replaced by the following:

C. Limits of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs attached to buildings is \$10,000 per sign in any one occurrence.

The limits applicable to the Fire Department Service Charge, Pollutant Clean Up and Removal, Business Income, Extra Expense and Civil Authority are in addition to the Limits of Insurance.

Payments under the Preservation of Property Additional Coverage will not increase the applicable Limit of Insurance.

The Limit of Insurance for your Business Personal Property will automatically increase by 25% to provide for seasonal variations. This increase will apply only if the Limit of Insurance shown for your Business Personal Property in the Declarations is at least 100% of your average monthly values during the lesser of:

- a. The 12 months immediately preceding the date the loss or damage occurs; or
- b. The period of time you have been in business as of the date the loss or damage occurs.

8. In **Section E.7. Valuation** the following paragraphs are being added:

- f. Business Income Loss will be determined based on:

(1) The Net Income of the business before the direct physical loss or damage occurred;

(2) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;

(3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and

(4) Other relevant sources of information, including:

(a) Your financial records and accounting procedures;

(b) Bills, invoices and other vouchers; and

(c) Deeds, liens or contracts.

g. Loss under Extra Expense will be determined based on:

(1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses;

(a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and

(b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and

(2) Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

h. Resumption Of Operations

We will reduce the amount of your:

(1) Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.

(2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

(3) If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

i. The agreed total amount of Accounts Receivable will be:

(1) The amount of all outstanding accounts receivable at the end of the same month in the preceding year; multiplied by

(2) The percentage of change in the average monthly total of accounts receivable for the 12 months preceding the month in which the loss occurs;

(3) Adjusted by deductions for:

(a) Records not lost or damaged;

(b) Accounts that the insured is able to collect; and

(c) An allowance for probable bad debts which would normally be uncollectible by the insured.

9. In **Section H. Definitions** the following paragraphs are added:

4. **"Operations"** means:

- a. Your business activities occurring at the described premises; and
- b. The tenantability of the described premises, when coverage for "Rental Value" applies.

5. **"Period of Restoration"** means the period of time that:

a. Begins:

- (1) 72 hours after the time of direct physical loss or damage for Business Income coverage; or
- (2) Immediately after the time of direct physical loss or damage for Extra Expense coverage:

caused by or resulting from any Covered Cause of Loss at the described premises; and

b. Ends on the earlier of:

- (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
- (2) The date when business is resumed at a new permanent location.

"Period of restoration" does not include any increased period required due to the enforcement of any law that:

(1) Regulates the construction, use or repair, or requires the tearing down of any property; or

(2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

6. **"Suspension"** means:

- a. The slowdown or cessation of your business activities; or
- b. That a part of or all the described premises is rendered untenable, when coverage for "Rental Value" applies.

7. **"Rental Value"** means Business Income that consists of:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and
- b. Containing normal operating expenses incurred in connection with that premises, including:
 - (1) Payroll; and
 - (2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ACTUAL CASH VALUE LOSS SETTLEMENT
WINDSTORM OR HAIL LOSSES TO ROOF SURFACING**

This endorsement modifies insurance provided under the following:

- **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**
- **PREMISES COMMERCIAL UNISAVER BUILDING AND PERSONAL PROPERTY COVERAGE FORM AND COMMERCIAL PROPERTY CONDITIONS**

A. BUILDING AND PERSONAL PROPERTY COVERAGE FORM

The **3. Replacement Cost** provisions in Section **G. Optional Coverages** at paragraph **b.** are deleted and replaced by the following:

b. This Optional Coverage does not apply to:

- (1) Personal property of others;
- (2) Contents of a residence;
- (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or
- (4) "Stock", unless the including "Stock" option is shown in the Declarations.
- (5) Roof surfacing on structures that are buildings if a loss to the roof surfacing is caused by the peril of Windstorm or Hail.

Under the terms of this Replacement Cost Optional Coverage, tenants' improvements and betterments are not considered to be the personal property of others.

B. PREMISES COMMERCIAL UNISAVER BUILDING AND PERSONAL PROPERTY COVERAGE FORM AND COMMERCIAL PROPERTY CONDITIONS

The **1. Replacement Cost** provisions in Section **G. OPTIONAL COVERAGES** at paragraph **b.** are deleted and replaced by the following:

b. This Optional Coverage does not apply to:

- (1) Personal property of others;
- (2) Contents of a residence;

- (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or
- (4) Roof surfacing on structures that are buildings if a loss to the roof surfacing is caused by the peril of Windstorm or Hail.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ACTUAL CASH VALUE LOSS SETTLEMENT
WINDSTORM OR HAIL LOSSES TO ROOF SURFACING**

This endorsement modifies insurance provided under the following:

- **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**
- **PREMISES COMMERCIAL UNISAVER BUILDING AND PERSONAL PROPERTY COVERAGE FORM AND COMMERCIAL PROPERTY CONDITIONS**

A. BUILDING AND PERSONAL PROPERTY COVERAGE FORM

The **3. Replacement Cost** provisions in Section **G. Optional Coverages** at paragraph **b.** are deleted and replaced by the following:

b. This Optional Coverage does not apply to:

- (1) Personal property of others;
- (2) Contents of a residence;
- (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or
- (4) "Stock", unless the including "Stock" option is shown in the Declarations.
- (5) Roof surfacing on structures that are buildings if a loss to the roof surfacing is caused by the peril of Windstorm or Hail.

Under the terms of this Replacement Cost Optional Coverage, tenants' improvements and betterments are not considered to be the personal property of others.

B. PREMISES COMMERCIAL UNISAVER BUILDING AND PERSONAL PROPERTY COVERAGE FORM AND COMMERCIAL PROPERTY CONDITIONS

The **1. Replacement Cost** provisions in Section **G. OPTIONAL COVERAGES** at paragraph **b.** are deleted and replaced by the following:

b. This Optional Coverage does not apply to:

- (1) Personal property of others;
- (2) Contents of a residence;

- (3) Manuscripts;
- (4) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or
- (5) Roof surfacing on structures that are buildings if a loss to the roof surfacing is caused by the peril of Windstorm or Hail.

<i>SERFF Tracking Number:</i>	<i>UNFG-125950295</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>United Fire & Casualty Company, ...</i>	<i>State Tracking Number:</i>	<i>EFT \$50</i>
<i>Company Tracking Number:</i>	<i>CP-AR-UFC-LAF-04012009-XX-XX-F</i>		
<i>TOI:</i>	<i>01.0 Property</i>	<i>Sub-TOI:</i>	<i>01.0001 Commercial Property (Fire and Allied Lines)</i>
<i>Product Name:</i>	<i>Commercial Property</i>		
<i>Project Name/Number:</i>	<i>Form/CP-AR-UFC-LAF-04012009-XX-XX-F</i>		

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: UNFG-125950295 State: Arkansas
First Filing Company: United Fire & Casualty Company, ... State Tracking Number: EFT \$50
Company Tracking Number: CP-AR-UFC-LAF-04012009-XX-XX-F
TOI: 01.0 Property Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)
Product Name: Commercial Property
Project Name/Number: Form/CP-AR-UFC-LAF-04012009-XX-XX-F

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-Property & Casualty **Review Status:** Approved 01/14/2009
Comments:
See Attachments
Attachments:
CP AR Prop & Cas Trans Doc F777AR 0409.pdf
CG AR Form Filing Schedule F778AR CP-2007-OFR.pdf

Satisfied -Name: IL0163 0907 **Review Status:** Approved 01/14/2009
Comments:
See attachment per our preceding comments .
Attachment:
IL0163 0907.pdf

Property & Casualty Transmittal Document

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only	
	a. Date the filing is received:	
	b. Analyst:	
	c. Disposition:	
	d. Date of disposition of the filing:	
	e. Effective date of filing:	
	New Business	
	Renewal Business	
	f. State Filing #:	
	g. SERFF Filing #:	
h. Subject Codes		

3. Group Name	Group NAIC #
UNITED FIRE GROUP	248

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
UNITED FIRE & CASUALTY COMPANY	IA	13021	42-0644327	NA
LAFAYETTE INSURANCE COMPANY	LA	18295	72-0232830	NA

5. Company Tracking Number	CP-AR-UFC-LAF-040120098-XX-XX-F
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Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6. Name and address	Title	Telephone #s	FAX #	e-mail
CHRIS MANDERS	Analyst	800-332-7977	3193995470	cmanders@unitedfi regroup.com
118-2nd Ave SE Cedar Rapids, IA 52401				

7. Signature of authorized filer	
8. Please print name of authorized filer	Chris Manders

Filing information (see General Instructions for descriptions of these fields)

9. Type of Insurance (TOI)	01.0 Commercial Property
10. Sub-Type of Insurance (Sub-TOI)	01.001 Commercial Property
11. State Specific Product code(s) (if applicable)[See State Specific Requirements]	01
12. Company Program Title (Marketing title)	Commercial Property
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input checked="" type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14. Effective Date(s) Requested	New: 04-01-2009 Renewal: 04-01-2009
15. Reference Filing?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
16. Reference Organization (if applicable)	ISO

17.	Reference Organization # & Title	ISO - COMMERCIAL PROPERTY
18.	Company's Date of Filing	12-19-2008
19.	Status of filing in domicile	<input checked="" type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document—

20.	This filing transmittal is part of Company Tracking #	CG-AR-UFC-LAF-03012008-XX-RU-X
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21.	Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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RE: UNITED FIRE GROUP #248

NAIC #13021 / FEIN #42-0644327 - UNITED FIRE & CASUALTY COMPANY

NAIC #18295 / FEIN #72-0232830 - LAFAYETTE INSURANCE COMPANY

COMMERCIAL PROPERTY – FORMS

COMPANY TRACKING #CP-AR-UFC-LAF-04012009-XX-XX-F

Effective April 1, 2009, we will be adopting **ISO Filing Designation Number CF-2007-OFR07 (Forms)**.

In conjunction with the adoption of the ISO forms change CF-2007-OFR07, we are revising some of our independent company forms. Changes are listed below and also carry an effective date of April 1, 2009.

1. **CP 70 07 03 09 – Outdoor Signs**, is replacing CP 70 07 12 01. Much of the language in this endorsement has been revised because several aspects of the coverage previously available under this optional endorsement have been incorporated into the basic coverage provided in the underlying coverage form.
2. **CP 70 22 03 09 – Sprinkler Leakage Exclusion**, is replacing CP 70 22 01 03. New language is being added so that the language in this form now matches the language found in the current editions of the ISO Causes of Loss Forms. There is no change in coverage.
3. **CP 70 25 03 09 – Loss Payable Provisions**, is replacing CP 70 25 12 01. We are adding an option, Building Owner Loss Payable, to identify the building owner and recognize that entity as a loss payee.
4. **CP 70 31 03 09 – Antique Dealers Inventory Cost Valuation**, is replacing CP 70 31 12 01. We are simply changing the reference numbers to match those in new ISO Form CP 00 10. There is no change in coverage.
5. **CP 70 33 03 09 – Property Plus Endorsement**, is replacing CP 70 33 11 06.
CP 70 36 03 09 – Contractors Property Plus Endorsement, is replacing CP 70 36 11 06.
CP 70 62 03 09 – Restaurant Property Plus Endorsement, is replacing CP 70 62 11 06.
IL 70 24 03 09 – Package Plus Endorsement, is replacing IL 70 24 11 06.

The following changes are being made:

- * We are adding an additional coverage for Security Breach and Identity Services.
- * Under the Civil Authority additional coverage, we have added a stipulation that this coverage no longer applies if the insured premises is more than one mile from the damaged property which caused the action of civil authority.
- * Under the Civil Authority additional coverage, we are expanding the coverage period from three to four weeks.
- * We are broadening coverage for detached outdoor signs to include all causes of loss otherwise covered under the applicable ISO Causes of Loss form.

The Civil Authority changes described above were implemented in response to the same changes being made by ISO in their Time Element Coverage Forms (CP 00 30 & CP 0032).

6. **CP 70 35 03 09 – Business Income (And Extra Expense) Coverage Form**, replaces CP 70 35 12 01.

CP 70 37 03 09 – Business Income (And Extra Expense) Coverage Form, replaces CP 70 37 12 01.

The following changes are being made:

- Under the Civil Authority additional coverage, we have added a stipulation that this coverage no longer applies if the insured premises is more than one mile from the damaged property which caused the action of civil authority.
- Under the Civil Authority additional coverage, we are expanding the coverage period from three to four weeks.

The Civil Authority changes described above were implemented in response to the same changes being made by ISO in their Time Element Coverage Forms (CP 00 30 & CP 0032).

7. **CP 70 57 03 09 – Homeowners Extension Property Endorsement**, is replacing CP 70 57 05 02. We are simply changing the reference numbers to match those in new ISO Form CP 00 10. There is no change in coverage.

8. **IL 70 58 03 04 – ACV Loss Settlement Windstorm or Hail Losses to Roof Surfacing**, is replacing IL 70 58 04 03. We are simply changing the reference numbers to match those in new ISO Form CP 00 10. There is no change in coverage.

As usual, we would like to stipulate that any forms filed on our behalf by an Advisory Organization or that we file independently for Commercial Property, may also apply to our Premises Commercial Uni-Saver Program (our independent BOP) or Trade Pro Program (our independent Contractors).

22. Filing Fees (Filer must provide check # and fee amount if applicable)
[If a state requires you to show how you calculated your filing fees, place that calculation below]

Check #: EFT
Amount: \$50.00

Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.

*****Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)**

FORM FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes forms)
 (Do not refer to the body of the filing for the forms listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #		CP-AR-UFC-LAF-04012009-XX-XX-F		
2.	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)		CP-AR-UFC-LAF-04012009-XX-RU-X		
3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement or Withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
01	Outdoor Signs	CP 70 07 03 09	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	CP 70 07 12 01	
02	Sprinkler Leakage Exclusion	CP 70 22 03 09	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	CP 70 22 01 03	
03	Loss Payable Provisions	CP 70 25 03 09	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	CP 70 25 12 01	
04	Antique Dealers Inventory Cost Valuation	CP 70 31 03 09	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	CP 70 31 12 01	
05	Property Plus Endorsement	CP 70 33 03 09	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	CP 70 33 11 06	
06	Business Income (And Extra Expense) Cov Form	CP 70 35 03 09	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	CP 70 35 12 01	
07	Contractors Property Plus Endorsement	CP 70 36 03 09	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	CP 70 36 11 06	
08	Business Income (And Extra Expense) Cov Form	CP 70 37 03 09	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	CP 70 37 12 01	
09	Homeowners Extension Property End	CP 70 57 03 09	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	CP 70 57 05 02	
10	Restaurant Property Plus End	CP 70 62 03 09	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	CP 70 62 11 06	
11	Package Plus Endorsement	IL 70 24 03 09	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	IL 70 24 11 06	
12	ACV Loss Settlement Windstorm or Hail Losses to Roof Surfacing	IL 70 58 03 04	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	IL 70 58 04 03	

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARKANSAS CHANGES

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 CRIME AND FIDELITY COVERAGE PART
 EQUIPMENT BREAKDOWN COVERAGE PART
 FARM COVERAGE PART

- A.** When this endorsement is attached to the Standard Property Policy **CP 00 99** the term Coverage Part in this endorsement is replaced by the term Policy.
- B.** The following is added to the Common Policy Conditions:
MULTI-YEAR POLICIES
 We may issue this policy for a term in excess of twelve months with the premium adjusted on an annual basis in accordance with our rates and rules.
- C. 1.** Except as provided in **C.2.** below, the **Appraisal** Condition, if any, is replaced by the following:
 - a.** If we and you disagree on the value of the property or the amount of loss ("loss"), either party may make a written request for an appraisal of the loss ("loss"). However, an appraisal will be made only if both we and you agree, voluntarily, to have the loss ("loss") appraised. If so agreed, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss ("loss"). If they fail to agree, they will submit their differences to the umpire.
 - b.** An appraisal decision will not be binding on either party.
- c.** If there is an appraisal, we will still retain our right to deny the claim.
- d.** Each party will:
 - (1)** Pay its chosen appraiser; and
 - (2)** Bear the other expenses of the appraisal and umpire equally.
- C. 2.** The **Appraisal** Condition in Business Income Coverage Form (And Extra Expense) **CP 00 30** Business Income Coverage Form (Without Extra Expense) **CP 00 32** and Capital Assets Program Coverage Form (Output Policy), **OP 00 01**, Paragraph **A.7.** Business Income And Extra Expense is replaced by the following:
 - a.** If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either party may make a written request for an appraisal of the loss. However, an appraisal will be made only if both we and you agree, voluntarily, to have the loss appraised. If so agreed, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire.

- b. An appraisal decision will not be binding on either party.
- c. If there is an appraisal, we will still retain our right to deny the claim.
- d. Each party will:
 - (1) Pay its chosen appraiser; and
 - (2) Bear the other expenses of the appraisal and umpire equally.

- D. 1. This Paragraph, D.2., does not apply to the following:
 - Farm Liability Coverage Form
 - Legal Liability Coverage Form
- 2. The 2-year limitation in the Legal Action Against Us Condition is changed to 5 years.